



Ministry  
of Justice



Crown  
Commercial  
Service

FM ASSURANCE (HELPDESK AND CAFM) SERVICES FRAMEWORK  
REFERENCE RM3720

## **CONTRACT TERMS AND CONDITIONS AND SCHEDULES**

### **PROVISION OF FACILITIES MANAGEMENT (FM) INTEGRATOR SERVICES**

Contract Reference Number: con\_14497

Sourcing Project Reference Number: ITT\_712

Version Number: 1.1

**PART 1 – ORDER FORM**

**SECTION A**

This Order Form is issued in accordance with the provisions of the Framework Agreement RM3720. The Supplier agrees to supply the Services specified below on and subject to the terms of this Call Off Contract and for the avoidance of doubt this Call Off Contract consists of the terms set out in this Order Form and the Call Off Terms.

**DATE** 31 / 05 / 2017

**ORDER NUMBER** To be advised

**FROM** The Secretary of State for Justice acting as part of the Crown  
"CUSTOMER"

**Postal Address:** 102 Petty France, London SW1H 9AJ

**Email:** REDACTED

**Contract Reference Number** con\_14497

**Customer Representative:** REDACTED

**TO** Kellogg Brown & Root Limited (Company No. 00645125)  
"SUPPLIER"

**Postal Address:** Hill Park Court, Springfield Drive, LEATHERHEAD,  
Surrey KT22 7NL

**Email:** REDACTED

**Supplier Representative:** REDACTED

**Supplier Account Director:** REDACTED

**SECTION B**

**1. CALL OFF CONTRACT PERIOD**

**1.1 Commencement Dates**

**1.1.1 Call Off Commencement Date:**

The date of this Order Form

**1.1.2 Service Commencement Date:**

**1.2 Call Off Expiry Date:**

End date of Call Off Initial Period

21 October 2022

End date of Call Off Extension Period

21 October 2024

## **2. CUSTOMER CORE SERVICES REQUIREMENTS**

### **2.1 Services required**

As set out in Call Off Schedule 2 (Services).

### **2.2 Location/Sites of Delivery**

The locations and sites identified in the property list in Annex 2, of Call Off Schedule 2, Services.

### **2.3 Dates for Delivery of the Services**

Mobilisation: From the Call Off Commencement Date

Service Commencement Date: 11 November 2017

### **2.4 Implementation Plan**

An Implementation Plan shall be provided in accordance with clause 6 ,Part A of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel) and Schedule 5

### **2.5 Standards**

.

As defined in Schedule 1

### **2.6 Quality Plans**

25 Working Days.

The Supplier shall develop Quality Plans in accordance with clause 11.2 of the Call Off Terms

### **2.7 Key Performance Indicators and Service Levels**

As set out in Part B of Call Off Schedule 6 (Payment Mechanism, KPIs, Service Levels and Performance Monitoring).

### **2.8 Business Continuity and Disaster Recovery**

Call Off Schedule 10 (Business Continuity and Disaster Recovery) shall apply.

For the purposes of the definition of “Disaster” in Call Off Schedule 1 (Definitions) the “Disaster Period” shall be 5 Working Days.

### **2.9 Period for providing the Rectification Plan**

10 Working Days

### **2.10 Exit Management**

As set out in Schedule 11 (Exit Management).

### **2.11 Supplier Software, Customer Software and Third Party Software**

As set out in Call Off Schedule 9 (Supplier Software, Customer Software and Third Party Software).

**3. SUPPLIER'S INFORMATION**

**3.1 Supplier's inspection of Sites, Customer System, Customer Property and Customer Assets**

None.

**3.2 Commercially Sensitive Information**

Supplier's pricing related information

**4. CUSTOMER RESPONSIBILITIES**

**4.1 Customer Responsibilities**

As set out in Part B of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel).

**5. CALL OFF CONTRACT CHARGES AND PAYMENT**

**5.1 Call Off Contract Charges payable by the Customer (including any applicable Milestone Payments and/or discount(s), but excluding VAT) and payment terms/profile including method of payment (e.g. Government Procurement Card (GPC) or BACS)**

As set out in Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing).

**5.2 Estimated Year 1 Call Off Contract Charges**

**REDACTED**

**5.3 Undisputed Sums Limit**

For the purposes of Clause 43.1.1 the Undisputed Sums Limit shall be:

**REDACTED** (being 2 Months of Year 1 lump sum price)

**SECTION C**

**6. CUSTOMER OTHER CONTRACTUAL REQUIREMENTS**

**6.1 Call Off Guarantor**

Not required.

**6.2 Key Personnel**

As set out in in Part C of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel) and Clause 26 of the Call Off Terms shall apply.

**6.3 Relevant Convictions**

Clause 27.2.1 shall apply to this Call Off Contract.

**6.4 Failure of Supplier Equipment**

Clause 32.8 of the Call Off Terms shall apply. For the purposes of Clause 32.8, the value of X shall be 3 Service Failures and the value for Y shall be 3 Months.

## **6.5 Maintenance of the ICT Environment**

Clause 33 of the Call Off Terms shall not apply.

## **6.6 Protection of Customer Data**

For the purposes of Clause 35.3.2, the Customer Data shall be supplied in excel and csv format.

## **6.7 Testing**

Schedule 5 (Testing) of the Call Off Terms shall apply.

## **6.8 Limitations on Liability**

As set out in Clause 37 of the Call Off Terms.

## **6.9 Insurance**

Clause 38 of the Call Off Terms shall apply. The insurances required by the Customer are:

- (i) insurance against loss of or damage caused by the Supplier to the Customer's property with a limit of indemnity of ten million pounds (£10,000,000) in respect of any one occurrence and in the annual aggregate;
- (ii) insurance in respect of loss of or damage to property (except the Customer's property, plant and materials and equipment) and liability for bodily injury to or death of a person (other than an employee of the Supplier) arising from or in connection with the Supplier providing the Services with a limit of indemnity of 10 million pounds (£10,000,000) in respect of any one occurrence and in the annual aggregate;
- (iii) insurance in respect of death of or bodily injury to employees of the Supplier arising out of and in the course of their employment in connection with this Contract for any one event with a limit of indemnity of ten million pounds (£10,000,000) in respect of any one occurrence, the number of occurrences being unlimited in any annual policy period; and
- (iv) professional indemnity insurance providing cover against a failure of the Supplier to exercise Good Industry Practice with a limit of indemnity of five million pounds (£5,000,000) in respect of any one claim and in the annual aggregate.

## **6.10 Termination without cause notice period**

The minimum number of days for the purposes of Clause 42.7 of the Call Off Terms shall be 180 days.

## **7. ADDITIONAL AND/OR ALTERNATIVE CLAUSES**

### **7.1 Supplemental requirements to the Call Off Terms**

None

### **7.2 Amendments to/refinements of the Call Off Terms**

None

### **7.3 Alternative and/or Additional Clauses (select from Call Off Schedule 15 (Alternative and/or Additional Clauses))**

None

**8. TUPE Application**

To be determined in accordance with this Call Off Contract Schedule 12

**9. Escrow Agreement required**

9.1 Please state whether Escrow applies or not

No

**10. Variation Threshold**

The Variation Threshold is 10%.

**11. FORMATION OF CALL OFF CONTRACT**

- 11.1 By signing and returning this Order Form (which may be done by electronic means) the Supplier agrees to enter this Call Off Contract with the Customer to provide the Services.
- 11.2 The Parties hereby acknowledge and agree that they have read the Order Form and the Call Off Terms and by signing below agree to be bound by this Call Off Contract.
- 11.3 The Parties hereby acknowledge and agree that this Call Off Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of the Order Form from the Supplier and dates the order form with the date of acknowledgement.

**For and on behalf of the Supplier:**

Name and Title	
Signature	

**For and on behalf of the Customer:**

Name and Title	
Signature	

**TABLE OF CONTENT**

<b>A.</b>	<b>PRELIMINARIES .....</b>	<b>10</b>
1.	DEFINITIONS AND INTERPRETATION .....	10
2.	DUE DILIGENCE.....	11
3.	REPRESENTATIONS AND WARRANTIES .....	12
4.	CALL OFF GUARANTEE.....	14
<b>B.</b>	<b>DURATION OF CALL OFF CONTRACT .....</b>	<b>14</b>
5.	CALL OFF CONTRACT PERIOD.....	14
<b>C.</b>	<b>CALL OFF CONTRACT PERFORMANCE .....</b>	<b>14</b>
6.	IMPLEMENTATION PLAN .....	14
7.	PROVISION OF THE SERVICES .....	16
8.	SERVICES.....	18
9.	GOODS – NOT USED .....	20
10.	INSTALLATION WORKS – NOT USED.....	20
11.	STANDARDS AND QUALITY .....	20
12.	TESTING .....	21
13.	SERVICE LEVELS, KPIS AND SERVICE CREDITS .....	21
14.	CRITICAL SERVICE LEVEL FAILURE.....	22
15.	BUSINESS CONTINUITY AND DISASTER RECOVERY.....	23
16.	DISRUPTION.....	23
17.	SUPPLIER NOTIFICATION OF CUSTOMER CAUSE .....	23
18.	CONTINUOUS IMPROVEMENT .....	23
<b>D.</b>	<b>CALL OFF CONTRACT GOVERNANCE .....</b>	<b>24</b>
19.	PERFORMANCE MONITORING.....	24
20.	REPRESENTATIVES .....	24
21.	RECORDS, AUDIT ACCESS AND OPEN BOOK DATA .....	25
22.	CHANGE .....	27
<b>E.</b>	<b>PAYMENT, TAXATION AND VALUE FOR MONEY PROVISIONS.....</b>	<b>29</b>
23.	CALL OFF CONTRACT CHARGES AND PAYMENT.....	29
24.	PROMOTING TAX COMPLIANCE .....	31
25.	BENCHMARKING .....	31
<b>F.</b>	<b>SUPPLIER PERSONNEL AND SUPPLY CHAIN MATTERS .....</b>	<b>32</b>
26.	KEY PERSONNEL .....	32
27.	SUPPLIER PERSONNEL.....	33
28.	STAFF TRANSFER.....	34
29.	SUPPLY CHAIN RIGHTS AND PROTECTION .....	35
<b>G.</b>	<b>PROPERTY MATTERS .....</b>	<b>39</b>

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	30. CUSTOMER PREMISES .....	39
	31. CUSTOMER PROPERTY .....	40
	32. SUPPLIER EQUIPMENT .....	41
	33. MAINTENANCE OF THE ICT ENVIRONMENT.....	42
H.	INTELLECTUAL PROPERTY AND INFORMATION .....	42
	34. INTELLECTUAL PROPERTY RIGHTS .....	42
	35. SECURITY AND PROTECTION OF INFORMATION .....	48
	36. PUBLICITY AND BRANDING .....	55
I.	LIABILITY AND INSURANCE .....	56
	37. LIABILITY.....	56
	38. INSURANCE .....	58
J.	REMEDIES AND RELIEF .....	59
	39. CUSTOMER REMEDIES FOR DEFAULT .....	59
	40. SUPPLIER RELIEF DUE TO CUSTOMER CAUSE .....	61
	41. FORCE MAJEURE.....	62
K.	TERMINATION AND EXIT MANAGEMENT .....	64
	42. CUSTOMER TERMINATION RIGHTS .....	64
	43. SUPPLIER TERMINATION RIGHTS .....	66
	44. TERMINATION BY EITHER PARTY .....	67
	45. PARTIAL TERMINATION, SUSPENSION AND PARTIAL SUSPENSION...	67
	46. CONSEQUENCES OF EXPIRY OR TERMINATION.....	67
L.	MISCELLANEOUS AND GOVERNING LAW .....	69
	47. COMPLIANCE.....	69
	48. ASSIGNMENT AND NOVATION.....	70
	49. WAIVER AND CUMULATIVE REMEDIES .....	71
	50. RELATIONSHIP OF THE PARTIES .....	71
	51. PREVENTION OF FRAUD AND BRIBERY .....	71
	52. SEVERANCE .....	72
	53. FURTHER ASSURANCES.....	73
	54. ENTIRE AGREEMENT .....	73
	55. THIRD PARTY RIGHTS .....	73
	56. NOTICES.....	74
	57. DISPUTE RESOLUTION .....	75
	58. GOVERNING LAW AND JURISDICTION .....	75
	CALL OFF SCHEDULE 1: DEFINITIONS .....	76
	CALL OFF SCHEDULE 2: SERVICES.....	104

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Directorate

<b>CALL OFF SCHEDULE 3: CALL OFF CONTRACT CHARGES, PAYMENT AND INVOICING .....</b>	<b>107</b>
<b>CALL OFF SCHEDULE 4: IMPLEMENTATION PLAN, CUSTOMER RESPONSIBILITIES AND KEY PERSONNEL.....</b>	<b>115</b>
<b>CALL OFF SCHEDULE 5: TESTING .....</b>	<b>120</b>
<b>CALL OFF SCHEDULE 6 - PAYMENT MECHANISM, KPIS, SERVICE LEVELS AND PERFORMANCE MONITORING:.....</b>	<b>131</b>
<b>CALL OFF SCHEDULE 7: STANDARDS .....</b>	<b>145</b>
<b>CALL OFF SCHEDULE 8: SECURITY.....</b>	<b>150</b>
<b>CALL OFF SCHEDULE 9: SUPPLIER SOFTWARE, CUSTOMER SOFTWARE AND THIRD PARTY SOFTWARE.....</b>	<b>171</b>
<b>CALL OFF SCHEDULE 10: BUSINESS CONTINUITY AND DISASTER RECOVERY .....</b>	<b>172</b>
<b>CALL OFF SCHEDULE 11: EXIT MANAGEMENT</b>	
<b>CALL OFF SCHEDULE 12: STAFF TRANSFER .....</b>	<b>190</b>
<b>CALL OFF SCHEDULE 13: DISPUTE RESOLUTION PROCEDURE.....</b>	<b>223</b>
<b>CALL OFF SCHEDULE 14: VARIATION FORM.....</b>	<b>228</b>
<b>CALL OFF SCHEDULE 15: ALTERNATIVE AND/OR ADDITIONAL CLAUSES .....</b>	<b>229</b>

**PART 2 – CALL OFF TERMS  
TERMS AND CONDITIONS****A. PRELIMINARIES****1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Call Off Contract, unless the context otherwise requires, capitalised expressions shall have the meanings set out in Call Off Schedule 1 (Definitions) or the relevant Call Off Schedule in which that capitalised expression appears.
- 1.2 If a capitalised expression does not have an interpretation in Call Off Schedule 1 (Definitions) or relevant Call Off Schedule, it shall have the meaning given to it in the Framework Agreement. If no meaning is given to it in the Framework Agreement, it shall, in the first instance, be interpreted in accordance with the common interpretation within the relevant market sector/industry where appropriate. Otherwise, it shall be interpreted in accordance with the dictionary meaning.
- 1.3 In this Call Off Contract, unless the context otherwise requires:
- 1.3.1 the singular includes the plural and vice versa;
  - 1.3.2 reference to a gender includes the other gender and the neuter;
  - 1.3.3 references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
  - 1.3.4 a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
  - 1.3.5 the words "**including**", "**other**", "**in particular**", "**for example**" and similar words shall not limit the generality of the preceding words and shall be construed as if they were immediately followed by the words "**without limitation**";
  - 1.3.6 references to "**writing**" include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing shall be construed accordingly;
  - 1.3.7 references to "**representations**" shall be construed as references to present facts, to "**warranties**" as references to present and future facts and to "**undertakings**" as references to obligations under this Call Off Contract;
  - 1.3.8 references to "**Clauses**" and "**Call Off Schedules**" are, unless otherwise provided, references to the clauses and schedules of this Call Off Contract and references in any Call Off Schedule to parts, paragraphs, annexes and tables are, unless otherwise provided, references to the parts, paragraphs, annexes and tables of the Call Off Schedule in which these references appear; and
  - 1.3.9 the headings in this Call Off Contract are for ease of reference only and shall not affect the interpretation or construction of this Call Off Contract.

1.4 Subject to Clauses 1.5 and 1.6 (Definitions and Interpretation), in the event of and only to the extent of any conflict between the Order Form, the Call Off Terms and the provisions of the Framework Agreement, the conflict shall be resolved in accordance with the following order of precedence:

1.4.1 the Framework Agreement, except Framework Schedule 21 (Tender);

1.4.2 the Order Form;

1.4.3 the Call Off Terms;

1.4.4 Framework Schedule 21 (Tender).

1.5 Any permitted changes by the Customer to the Template Call Off Terms and the Template Call Off Form under Clause 4 (Call Off Procedure) of the Framework Agreement and Framework Schedule 5 (Call Off Procedure) prior to them becoming the Call Off Terms and the Call Off Form and the Parties entering this Call Off Contract shall prevail over the Framework Agreement.

1.6 Where Framework Schedule 21 (Tender) contains provisions which are more favourable to the Customer in relation to this Call Off Contract, such provisions of the Tender shall prevail. The Customer shall in its absolute and sole discretion determine whether any provision in the Tender is more favourable to it in this context.

## **2. DUE DILIGENCE**

2.1 The Supplier acknowledges that:

2.1.1 the Customer has delivered or made available to the Supplier all of the information and documents that the Supplier considers necessary or relevant for the performance of its obligations under this Call Off Contract;

2.1.2 it has made its own enquiries to satisfy itself as to the accuracy and adequacy of the Due Diligence Information and that it has entered into this Call Off Contract in reliance on its own due diligence alone;

2.1.3 it has satisfied itself (whether by inspection or having raised all relevant due diligence questions with the Customer before the Service Commencement Date) of all relevant details, including but not limited to, details relating to the:

- (a) suitability of the existing and (to the extent that it is defined or reasonably foreseeable at the Service Commencement Date) future Operating Environment;
- (b) operating processes and procedures and the working methods of the Customer;
- (c) ownership, functionality, capacity, condition and suitability for use in the provision of the Services of the Customer Assets; and
- (d) existing contracts (including any licences, support, maintenance and other agreements relating to the Operating Environment) referred to in the Due Diligence Information which may be novated to, assigned to or managed by the Supplier under this Call Off Contract and/or which the Supplier will require the benefit of for the provision of the Services; and

2.1.4 it has advised the Customer in writing of:

- (a) each aspect, if any, of the Operating Environment that is not suitable for the provision of the Services;
  - (b) the actions needed to remedy each such unsuitable aspect; and
  - (c) a timetable for and the costs of those actions.
- 2.1.5 the Supplier shall not be excused from the performance of any of its obligations under this Call Off Contract on the grounds of, nor shall the Supplier be entitled to recover any additional costs or charges, arising as a result of any:
- (a) unsuitable aspects of the Operating Environment;
  - (b) misinterpretation of the requirements of the Customer in the Order Form or elsewhere in this Call Off Contract; and/or
  - (c) failure by the Supplier to satisfy itself as to the accuracy and/or adequacy of the Due Diligence Information.

### **3. REPRESENTATIONS AND WARRANTIES**

#### **3.1 Each Party represents and warranties that:**

- 3.1.1 it has full capacity and authority to enter into and to perform this Call Off Contract;
- 3.1.2 this Call Off Contract is executed by its duly authorised representative;
- 3.1.3 there are no actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it (or, in the case of the Supplier, any of its Affiliates) that might affect its ability to perform its obligations under this Call Off Contract; and
- 3.1.4 its obligations under this Call Off Contract constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable (as the case may be for each Party) bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or Law).

#### **3.2 The Supplier represents and warrants that:**

- 3.2.1 it is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation;
- 3.2.2 it has all necessary consents (including, where its procedures so require, the consent of its Parent Company) and regulatory approvals to enter into this Call Off Contract;
- 3.2.3 its execution, delivery and performance of its obligations under this Call Off Contract does not and will not constitute a breach of any Law or obligation applicable to it and does not and will not cause or result in a Default under any agreement by which it is bound;
- 3.2.4 as at the Call Off Commencement Date, all written statements and representations in any written submissions made by the Supplier as part of the procurement process, including without limitation to the PQQ (if applicable), its Tender and any other

documents submitted remain true and accurate except to the extent that such statements and representations have been superseded or varied by this Call Off Contract;

3.2.5 as at the Call Off Commencement Date, it has notified the Customer in writing of any Occasions of Tax Non-Compliance or any litigation that it is involved in connection with any Occasions of Tax Non Compliance;

3.2.6 it has and shall continue to have all necessary rights in and to the Licensed Software, the Third Party IPR, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-Contractor) to the Customer which are necessary for the performance of the Supplier's obligations under this Call Off Contract including the receipt of the Services by the Customer;

3.2.7 it shall take all steps, in accordance with Good Industry Practice, to prevent the introduction, creation or propagation of any disruptive elements (including any virus, worms and/or Trojans, spyware or other malware) into systems, data, software or the Customer's Confidential Information (held in electronic form) owned by or under the control of, or used by, the Customer;

3.2.8 it is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform its obligations under this Call Off Contract;

3.2.9 it is not affected by an Insolvency Event and no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Supplier's assets or revenue; and

3.2.10 for the Call Off Contract Period and for a period of twelve (12) Months after the termination or expiry of this Call Off Contract, the Supplier shall not employ or offer employment to any staff of the Customer which have been associated with the provision of the Services without Approval or the prior written consent of the Customer, which shall not be unreasonably withheld.

3.3 Each of the representations and warranties set out in Clauses 3.1 and 3.2 shall be construed as a separate representation and warranty and shall not be limited or restricted by reference to, or inference from, the terms of any other representation, warranty or any undertaking in this Call Off Contract.

3.4 If at any time a Party becomes aware that a representation or warranty given by it under Clauses 3.1 and 3.2 has been breached, is untrue or is misleading, it shall immediately notify the other Party of the relevant occurrence in sufficient detail to enable the other Party to make an accurate assessment of the situation.

3.5 For the avoidance of doubt, the fact that any provision within this Call Off Contract is expressed as a warranty shall not preclude any right of termination the Customer may have in respect of breach of that provision by the Supplier which constitutes a material Default.

**4. CALL OFF GUARANTEE**

4.1 Where the Customer has stipulated in the Order Form or elsewhere in this Call Off Contract that the Call Off Contract shall be conditional upon receipt of a Call Off Guarantee, then, on or prior to the Call Off Commencement Date or on any other date specified by the Customer, the Supplier shall deliver to the Customer:

4.1.1 an executed Call Off Guarantee from a Call Off Guarantor; and

4.1.2 a certified copy extract of the board minutes and/or resolution of the Call Off Guarantor approving the execution of the Call Off Guarantee.

4.2 The Customer may in its sole discretion at any time agree to waive compliance with the requirement in Clause 4.1 by giving the Supplier notice in writing.

**B. DURATION OF CALL OFF CONTRACT**

**5. CALL OFF CONTRACT PERIOD**

5.1 Subject to clause 5.2 below or earlier termination, this Call Off Contract shall commence on the Call Off Commencement Date and the term of this Call Off Contract shall be the Call Off Contract Period.

5.2 The Customer shall be entitled in its absolute discretion to extend this Call Off Contract by one (1) year at a time provided that the term of the Service Period of this Call Off Contract may not exceed seven (7) years on written notice to the Supplier of not less than three (3) Months before the date the extension commences.

**C. CALL OFF CONTRACT PERFORMANCE**

**6. IMPLEMENTATION PLAN**

**6.1 Formation of Implementation Plan**

6.1.1 Where the Parties agreed in the Order Form (or elsewhere in this Call Off Contract) that an Implementation Plan (or parts thereof) shall be provided in draft by the Supplier prior to the commencement of the provision of the Services, the Supplier's draft must contain information at the level of detail necessary to manage the implementation stage effectively and as the Customer may require. The draft Implementation Plan shall take account of all dependencies known to, or which should reasonably be known to, the Supplier.

6.1.2 The Supplier shall submit the draft Implementation Plan to the Customer for Approval (such decision of the Customer to Approve or not shall not be unreasonably delayed or withheld) within such period as specified by the Customer in the Order Form (or elsewhere in this Call Off Contract).

6.1.3 The Supplier shall perform each of the deliverables identified in the Implementation Plan by the applicable date assigned to that deliverable in the Implementation Plan so as to ensure that each milestone identified in the Implementation Plan is achieved on or before its milestone date.

6.1.4 The Supplier shall monitor its performance against the Implementation Plan and Milestones (if any) and any other requirements of the Customer as set out in this Call Off Contract and report to the Customer on such performance.

## **6.2 Control of Implementation Plan**

- 6.2.1 Subject to Clause 6.2.2, the Supplier shall keep the Implementation Plan under review in accordance with the Customer's instructions and ensure that it is maintained and updated on a regular basis as may be necessary to reflect the then current state of the provision of the Services. The Customer shall have the right to require the Supplier to include any reasonable changes or provisions in each version of the Implementation Plan.
- 6.2.2 Changes to the Milestones (if any), Milestone Payments (if any) and Delay Payments (if any) shall only be made in accordance with the Variation Procedure and provided that the Supplier shall not attempt to postpone any of the Milestones using the Variation Procedure or otherwise (except in the event of a Customer Cause which affects the Supplier's ability to achieve a Milestone by the relevant Milestone Date).
- 6.2.3 Where so specified by the Customer in the Implementation Plan or elsewhere in this Call Off Contract, time in relation to compliance with a date, Milestone Date or period shall be of the essence and failure of the Supplier to comply with such date, Milestone Date or period shall be a material Default unless the Parties expressly agree otherwise.

## **6.3 Rectification of Delay in Implementation**

- 6.3.1 If the Supplier becomes aware that there is, or there is reasonably likely to be, a Delay under this Call Off Contract:
- (a) it shall:
    - (i) notify the Customer as soon as practically possible and no later than within two (2) Working Days from becoming aware of the Delay or anticipated Delay; and
    - (ii) include in its notification an explanation of the actual or anticipated impact of the Delay; and
    - (iii) comply with the Customer's instructions in order to address the impact of the Delay or anticipated Delay; and
    - (iv) use all reasonable endeavours to eliminate or mitigate the consequences of any Delay or anticipated Delay; and
  - (b) if the Delay or anticipated Delay relates to a Milestone in respect which a Delay Payment has been specified in the Implementation Plan, Clause 6.4 (Delay Payments) shall apply.

## **6.4 Delay Payments**

- 6.4.1 If Delay Payments have been included in the Implementation Plan and a Milestone has not been achieved by the relevant Milestone Date, the Supplier shall pay to the Customer such Delay Payments (calculated as set out by the Customer in the Implementation Plan) and the following provisions shall apply:
- (a) the Supplier acknowledges and agrees that any Delay Payment is a price adjustment and not an estimate of the Loss that may be suffered by the Customer as a result of the Supplier's failure to Achieve the corresponding Milestone;

- (b) Delay Payments shall be the Customer's exclusive financial remedy for the Supplier's failure to Achieve a corresponding Milestone by its Milestone Date except where:
  - (i) the Customer is otherwise entitled to or does terminate this Call Off Contract pursuant to Clause 42 (Customer Termination Rights) except Clause 42.7 (Termination Without Cause); or
  - (ii) the delay exceeds the number of days ('the "**Delay Period Limit**") specified in Part A of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel) for the purposes of this sub-Clause, commencing on the relevant Milestone Date;
- (c) the Delay Payments will accrue on a daily basis from the relevant Milestone Date and shall continue to accrue until the date when the Milestone is Achieved (unless otherwise specified by the Customer in the Implementation Plan);
- (d) no payment or concession to the Supplier by the Customer or other act or omission of the Customer shall in any way affect the rights of the Customer to recover the Delay Payments or be deemed to be a waiver of the right of the Customer to recover any such damages unless such waiver complies with Clause 49 (Waiver and Cumulative Remedies) and refers specifically to a waiver of the Customer's rights to claim Delay Payments; and
- (e) the Supplier waives absolutely any entitlement to challenge the enforceability in whole or in part of this Clause 6.4.1 and Delay Payments shall not be subject to or count towards any limitation on liability set out in Clause 37 (Liability).

## 7. PROVISION OF THE SERVICES

### 7.1 Provision of the Services

7.1.1 The Supplier acknowledges and agrees that the Customer relies on the skill and judgment of the Supplier in the provision of the Services and the performance of its obligations under this Call Off Contract and that the Services shall be for the benefit not only of the Customer but also for the Customer's Shared Estates.

7.1.2 The Supplier shall ensure that the Services:

- (a) comply in all respects with any description of the Services in Call Off Schedule 2 (Services) or elsewhere in this Call Off Contract; and
- (b) are supplied in accordance with the provisions of this Call Off Contract or the Tender.

7.1.3 The Supplier shall perform its obligations under this Call Off Contract in accordance with:

- (a) all applicable Law;
- (b) Good Industry Practice;
- (c) the Standards;

- (d) the Security Policy;
- (e) the Quality Plans;
- (f) the ICT Policy (if so required by the Customer); and
- (g) the Supplier's own established procedures and practices to the extent the same do not conflict with the requirements of Clauses 7.1.3(a) to 7.1.3(f).

7.1.4 The Supplier shall:

- (a) at all times allocate sufficient resources with the appropriate technical expertise to supply the Deliverables and to provide the Services in accordance with this Call Off Contract;
- (b) subject to Clause 22.1 (Variation Procedure), obtain, and maintain throughout the duration of this Call Off Contract, all the consents, approvals, licences and permissions (statutory, regulatory contractual or otherwise) it may require and which are necessary for the provision of the Services;
- (c) ensure that:
  - (i) the release of any new Supplier Software or upgrade to any Supplier Software complies with the interface requirements of the Customer and (except in relation to new Software or upgrades which are released to address Malicious Software) shall notify the Customer three (3) Months before the release of any new Supplier Software or Upgrade;
  - (ii) all Software including Upgrades, Updates and New Releases used by or on behalf of the Supplier are currently supported versions of that Software and perform in all material respects in accordance with the relevant specification;
  - (iii) any products or services recommended or otherwise specified by the Supplier for use by the Customer in conjunction with the Deliverables and/or the Services shall enable the Deliverables and/or Services to meet the requirements of the Customer;
  - (iv) the Supplier System and Supplier Assets will be free of all encumbrances (except as agreed in writing with the Customer) and will be Euro Compliant; and
  - (v) the Services are fully compatible with any Customer Software, Customer System, Customer Property or Customer Assets described in Part B of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel) (or elsewhere in this Call Off Contract) or otherwise used by the Supplier in connection with this Call Off Contract;
- (d) minimise any disruption to the Sites, the ICT Environment and/or the Customer's operations when providing the Services;
- (e) ensure that any Documentation and training provided by the Supplier to the Customer are comprehensive, accurate and prepared in accordance with Good Industry Practice;

- (f) co-operate with the Other Suppliers and provide reasonable information (including any Documentation), advice and assistance in connection with the Services to any Other Supplier to enable such Other Supplier to create and maintain technical or organisational interfaces with the Services and, on the Call Off Expiry Date for any reason, to enable the timely transition of the supply of the Services (or any of them) to the Customer and/or to any Replacement Supplier;
- (g) assign to the Customer, or if it is unable to do so, shall (to the extent it is legally able to do so) hold on trust for the sole benefit of the Customer, all warranties and indemnities provided by third parties or any Sub-Contractor in respect of any Deliverables and/or the Goods and/or the Services. Where any such warranties are held on trust, the Supplier shall enforce such warranties in accordance with any reasonable directions that the Customer may notify from time to time to the Supplier;
- (h) provide the Customer with such assistance as the Customer may reasonably require during the Call Off Contract Period in respect of the supply of the Services;
- (i) deliver the Services in a proportionate and efficient manner;
- (j) ensure that neither it, nor any of its Affiliates, embarrasses the Customer or otherwise brings the Customer into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Customer, regardless of whether or not such act or omission is related to the Supplier's obligations under this Call Off Contract; and
- (k) gather, collate and provide such information and co-operation as the Customer may reasonably request for the purposes of ascertaining the Supplier's compliance with its obligations under this Call Off Contract.

7.1.5 An obligation on the Supplier to do, or to refrain from doing, any act or thing shall include an obligation upon the Supplier to procure that all Sub-Contractors and Supplier Personnel also do, or refrain from doing, such act or thing.

## **8. SERVICES**

### **8.1 Time of Delivery of the Services**

8.1.1 The Supplier shall provide the Services on the date(s) specified in the Order Form (or elsewhere in this Call Off Contract) and the Milestone Dates (if any). Such provision shall include compliance with the obligation on the Supplier set out in Clause 6 (Implementation Plan).

### **8.2 Location and Manner of Delivery of the Services**

8.2.1 Except where otherwise provided in this Call Off Contract, the Supplier shall provide the Services to the Customer through the Supplier Personnel at the Sites.

8.2.2 The Customer may inspect and examine the manner in which the Supplier provides the Services at the Sites and, if the Sites are not the Customer Premises, the Customer may carry out such inspection and examination during normal business hours and on reasonable notice.

### 8.3 Undelivered Services

8.3.1 In the event that any of the Services are not Delivered in accordance with Clauses 7.1 (Provision of the Services), 8.1 (Time of Delivery of the Services) and 8.2 (Location and Manner of Delivery of the Services) ("**Undelivered Services**"), the Customer, without prejudice to any other rights and remedies of the Customer howsoever arising, shall be entitled to withhold payment of the applicable Call Off Contract Charges for the Services that were not so Delivered until such time as the Undelivered Services are Delivered.

8.3.2 The Customer may, at its discretion and without prejudice to any other rights and remedies of the Customer howsoever arising, deem the failure to comply with Clauses 7.1, (Provision of the Services), 8.1 (Time of Delivery of the Services) and 8.2 (Location and Manner of Delivery of the Services) and meet the relevant Milestone Date (if any) to be a material Default.

### 8.4 Specially Written Software warranty

8.4.1 The Supplier warrants to the Customer that all components of the Specially Written Software shall:

- (a) be free from material design and programming errors;
- (b) perform in all material respects in accordance with the relevant specifications contained in Call Off Schedule 2 (Services) and Documentation; and
- (c) not infringe any Intellectual Property Rights.

### 8.5 Obligation to Remedy of Default in the Supply of the Services

8.5.1 Subject to Clauses 34.9.2 and 34.9.3 (IPR Indemnity) and without prejudice to any other rights and remedies of the Customer howsoever arising (including under Clauses 8.3.2 (Undelivered Services) and 39 (Customer Remedies for Default)), the Supplier shall, where practicable:

- (a) remedy any breach of its obligations in Clauses 7 and 8 within three (3) Working Days of becoming aware of the relevant Default or being notified of the Default by the Customer or within such other time period as may be agreed with the Customer (taking into account the nature of the breach that has occurred); and
- (b) meet all the costs of, and incidental to, the performance of such remedial work.

### 8.6 Continuing Obligation to Provide the Services

8.6.1 The Supplier shall continue to perform all of its obligations under this Call Off Contract and shall not suspend the provision of the Services, notwithstanding:

- (a) any withholding or deduction by the Customer of any sum due to the Supplier pursuant to the exercise of a right of the Customer to such withholding or deduction under this Call Off Contract;
- (b) the existence of an unresolved Dispute; and/or
- (c) any failure by the Customer to pay any Call Off Contract Charges,

- (d) unless the Supplier is entitled to terminate this Call Off Contract under Clause 43.1 (Termination on Customer Cause for Failure to Pay) for failure by the Customer to pay undisputed Call Off Contract Charges.

9. **GOODS – NOT USED**

10. **INSTALLATION WORKS – NOT USED**

11. **STANDARDS AND QUALITY**

- 11.1 The Supplier shall at all times during the Call Off Contract Period comply with the Standards and maintain, where applicable, accreditation with the relevant Standards' authorisation body.
- 11.2 If so required by the Customer in the Order Form or elsewhere in this Call Off Contract, the Supplier shall develop, within 25 Working Days of the Call Off Commencement Date, quality plans that ensure that all aspects of the Services are the subject of quality management systems and are consistent with BS EN ISO 9001 or any equivalent standard which is generally recognised as having replaced it ("**Quality Plans**").
- 11.3 The Supplier shall seek Approval (the decision of the Customer to Approve or not shall not be unreasonably withheld or delayed) of the Quality Plans before implementing them. The Supplier acknowledges and accepts that Approval shall not act as an endorsement of the Quality Plans and shall not relieve the Supplier of its responsibility for ensuring that the Services are provided to the standard required by this Call Off Contract.
- 11.4 Throughout the Call Off Contract Period, the Parties shall notify each other of any new or emergent standards which could affect the Supplier's provision, or the receipt by the Customer, of the Services. The adoption of any such new or emergent standard or changes to existing Standards shall be agreed in accordance with the Variation Procedure. Any change to an existing Standard which is included in Framework Schedule 2 (Services and Key Performance Indicators) shall, in addition, require the written consent of the Authority.
- 11.5 Where a new or emergent standard is to be developed or introduced by the Customer, the Supplier shall be responsible for ensuring that the potential impact on the Supplier's provision, or the Customer's receipt of the Services is explained to the Customer (within a reasonable timeframe), prior to the implementation of the new or emergent Standard.
- 11.6 Where Standards referenced conflict with each other or with best professional or industry practice adopted after the Call Off Commencement Date, then the later Standard or best practice shall be adopted by the Supplier. Any such alteration to any Standard or Standards shall require Approval (and the written consent of the Authority where the relevant Standard or Standards is/are included in Framework Schedule 2 (Services and Key Performance Indicators)) and shall be implemented within an agreed timescale and if the parties fail to agree it may be treated as a Dispute.

11.7 Following the approval by the Customer of the Quality Plans:

11.7.1 the Supplier shall implement all Deliverables in accordance with the Quality Plans; and

11.7.2 any Variation to the Quality Plans shall be agreed in accordance with the Variation Procedure.

11.8 The Supplier shall ensure that the Supplier Personnel shall at all times during the Call Off Contract Period:

11.8.1 be appropriately experienced, qualified and trained to supply the Services in accordance with this Call Off Contract;

11.8.2 apply all due skill, care, diligence in faithfully performing those duties and exercising such powers as necessary in connection with the provision of the Services; and

11.8.3 obey all lawful instructions and reasonable directions of the Customer (including, if so required by the Customer, the ICT Policy) and provide the Services to the reasonable satisfaction of the Customer.

11.9 Where a standard, policy or document is referred to in Call Off Schedule 7, (Standards) by reference to a hyperlink, then if the hyperlink is changed or no longer provides access to the relevant standard, policy or document, the Supplier shall notify the Customer and the Parties shall agree the impact of such change.

## **12. TESTING**

12.1 This Clause 12 shall apply if so specified by the Customer in the Order Form or elsewhere in this Call Off Contract.

12.2 The Parties shall comply with any provisions set out Call Off Schedule 5 (Testing).

## **13. SERVICE LEVELS, KPIS AND SERVICE CREDITS**

13.1 The Parties shall comply with the provisions of Part B (Key Performance Indicators and Service Levels ) of Call Off Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring.

13.2 The Supplier shall at all times during the Call Off Contract Period provide the Services to meet or exceed the KPIs and the Service Levels.

13.3 The Supplier acknowledges that any Service Level/KPI Failure may have a material adverse impact on the business and operations of the Customer and that it shall entitle the Customer to the rights set out in the provisions of Part A of Call Off Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring including the right to any Service Credits.

13.4 The Supplier acknowledges and agrees that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Customer as a result of the Supplier's failure to meet any Service Level and/or KPI .

13.5 A Service Credit shall be the Customer's exclusive financial remedy for a Service Level/KPI Failure except where:

13.5.1 the Supplier has over the previous (twelve) 12 Month period accrued Service Credits in excess of the Service Credit Cap;

13.5.2 the Service Level/KPI Failure:

- (a) NOT USED; and/or
- (b) has arisen due to a Prohibited Act or wilful Default by the Supplier or any Supplier Personnel; and/or
- (c) results in:
  - (i) the corruption or loss of any Customer Data (in which case the remedies under Clause 35.3.8 (Protection of Customer Data) shall also be available); and/or
  - (ii) the Customer being required to make a compensation payment to one or more third parties; and/or
- (d) is a Critical Service Level Failure which shall entitle the Customer to the rights in clause 14; and/or

13.5.3 the Customer is otherwise entitled to or does terminate this Call Off Contract pursuant to Clause 42 (Customer Termination Rights) except Clause 42.7 (Termination Without Cause).

13.6 Not more than once in each Contract Year the Customer may, on giving the Supplier at least 3 Months' notice, change the weighting of KPIs and/or Service Level Performance Measure in respect of one or more KPI and/or Service Level Performance Criteria and the Supplier shall not be entitled to object to, or increase the Call Off Contract Charges as a result of such changes, provided that:

13.6.1 the total number of KPIs and/or Service Level Performance Criteria for which the weighting is to be changed does not exceed the number set out, for the purposes of this clause, in Annex 2 to Part A of Call Off Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring;

13.6.2 the principal purpose of the change is to reflect changes in the Customer's business requirements and/or priorities or to reflect changing industry standards; and

13.6.3 there is no change to the Service Credit Cap.

#### 14. CRITICAL SERVICE LEVEL FAILURE

14.1 On the occurrence of a Critical Service Level Failure:

14.1.1 any Service Credits that would otherwise have accrued during the relevant reporting period shall not accrue; and

14.1.2 the Customer shall (subject to the Service Credit Cap calculated up to the Month immediately prior to the Month in which the Critical Service Level Failure occurred) be entitled to withhold and retain as compensation for the Critical Service Level Failure a sum equal to any Call Off Contract Charges which would otherwise have been due to the Supplier in respect of that reporting period ("**Compensation for Critical Service Level Failure**"),

provided that the operation of this Clause 14.1 shall be without prejudice to the right of the Customer to terminate this Call Off Contract and/or to claim damages from the Supplier for material Default as a result of such Critical Service Level Failure.

14.2 The Supplier:

14.2.1 agrees that the application of Clause 14.1 is commercially justifiable where a Critical Service Level Failure occurs; and

14.2.2 acknowledges that it has taken legal advice on the application of Clause 14.1 and has had the opportunity to price for that risk when calculating the Call Off Contract Charges.

**15. BUSINESS CONTINUITY AND DISASTER RECOVERY**

15.1 Where specified in the Order Form, or elsewhere in this Call Off Contract the Parties shall comply with the provisions of Call Off Schedule 10 (Business Continuity and Disaster Recovery).

**16. DISRUPTION**

16.1 The Supplier shall take reasonable care to ensure that in the performance of its obligations under this Call Off Contract it does not disrupt the operations of the Customer, its employees or any other contractor employed by the Customer.

16.2 The Supplier shall immediately inform the Customer of any actual or potential industrial action, whether such action be by the Supplier Personnel or others, which affects or might affect the Supplier's ability at any time to perform its obligations under this Call Off Contract.

16.3 In the event of industrial action by the Supplier Personnel, the Supplier shall seek Approval to its proposals for the continuance of the supply of the Services in accordance with its obligations under this Call Off Contract.

16.4 If the Supplier's proposals referred to in Clause 16.3 are considered insufficient or unacceptable by the Customer acting reasonably then the Customer may terminate this Call Off Contract for material Default.

16.5 If the Supplier is temporarily unable to fulfil the requirements of this Call Off Contract owing to disruption of normal business solely caused due to a Customer Cause, then subject to Clause 17 (Supplier Notification of Customer Cause), an appropriate allowance by way of an extension of time will be Approved by the Customer. In addition, the Customer will reimburse any additional expense reasonably incurred by the Supplier as a direct result of such disruption.

**17. SUPPLIER NOTIFICATION OF CUSTOMER CAUSE**

17.1 Without prejudice to any other obligations of the Supplier in this Call Off Contract to notify the Customer in respect of a specific Customer Cause (including the notice requirements under Clause 43.1.1 (Termination on Customer Cause for Failure to Pay)), the Supplier shall notify the Customer as soon as reasonably practicable (and in any event within two (2) Working Days of the Supplier becoming aware) that a Customer Cause has occurred or is reasonably likely to occur, giving details of:

17.1.1 the Customer Cause and its effect, or likely effect, on the Supplier's ability to meet its obligations under this Call Off Contract; and

17.1.2 any steps which the Customer can take to eliminate or mitigate the consequences and impact of such Customer Cause; and

17.1.3 use all reasonable endeavours to eliminate or mitigate the consequences and impact of a Customer Cause, including any Losses that the Supplier may incur and the duration and consequences of any Delay or anticipated Delay.

**18. CONTINUOUS IMPROVEMENT**

18.1 The Supplier shall have an ongoing obligation throughout the Call Off Contract Period to identify new or potential improvements to the provision of the Services in accordance with this Clause 18 with a view to reducing the Customer's costs (including the Call Off Contract Charges) and/or improving the quality and efficiency of the Services and their supply to the Customer. As part of this obligation the Supplier shall identify and report to the Customer once every twelve (12) Months:

18.1.1 the emergence of new and evolving relevant technologies which could improve the ICT Environment, Sites and/or the provision of the Services, and those technological advances potentially available to the Supplier and the Customer which the Parties may wish to adopt;

18.1.2 new or potential improvements to the provision of the Services including the quality, responsiveness, procedures, benchmarking methods, likely performance mechanisms and customer support services in relation to the Services;

18.1.3 changes in business processes and ways of working that would enable the Services to be provided at lower costs and/or at greater benefits to the Customer; and/or

18.1.4 changes to the ICT Environment, Sites, business processes and ways of working that would enable reductions in the total energy consumed annually in the provision of the Services.

18.2 The Supplier shall ensure that the information that it provides to the Customer shall be sufficient for the Customer to decide whether any improvement should be implemented. The Supplier shall provide any further information that the Customer requests.

18.3 If the Customer wishes to incorporate any improvement identified by the Supplier, the Customer shall request a Variation in accordance with the Variation Procedure and the Supplier shall implement such Variation at no additional cost to the Customer.

#### **D. CALL OFF CONTRACT GOVERNANCE**

#### **19. PERFORMANCE MONITORING**

19.1 Unless otherwise Approved or notified by the Customer, the Supplier shall comply with the monitoring requirements set out in Part C of Call Off Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring.

19.2 The Supplier shall implement all measurement and monitoring tools and procedures necessary to measure, monitor and report on the Supplier's performance of the provision of the Services against the applicable Service Levels and KPIs at a level of detail sufficient to verify compliance with the Service Levels and KPIs. Unless the Customer specifies otherwise, the Supplier shall obtain Approval of the relevant measuring and monitoring tools and procedures prior to using the same.

19.3 In the case of any additional or alternative monitoring requirements of the Customer, the provisions relating to performance monitoring of this Call Off Contract shall apply as set out in Annex 1 to Part C of Call Off Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring.

#### **20. REPRESENTATIVES**

- 20.1 Each Party shall have a representative for the duration of this Call Off Contract who shall have the authority to act on behalf of their respective Party on the matters set out in, or in connection with, this Call Off Contract.
- 20.2 The initial Supplier Representative shall be the person named as such in the Order Form. Any change to the Supplier Representative shall be agreed in accordance with Clause 27 (Supplier Personnel).
- 20.3 The initial Customer Representative shall be the person named as such in the Order Form. The Customer may, by written notice to the Supplier, revoke or amend the authority of the Customer Representative or appoint a new Customer Representative.

**21. RECORDS, AUDIT ACCESS AND OPEN BOOK DATA**

- 21.1 The Supplier shall keep and maintain for seven (7) years after the Call Off Expiry Date (or as long a period as may be agreed between the Parties), full and accurate records and accounts of the operation of this Call Off Contract including the Services provided under it, any Sub-Contracts and the amounts paid by the Customer.
- 21.2 The Supplier shall:
- 21.2.1 keep the records and accounts referred to in Clause 21.1 in accordance with Good Industry Practice and Law; and
- 21.2.2 afford any Auditor access to the records and accounts referred to in Clause 21.1 at the Supplier's premises and/or provide records and accounts (including copies of the Supplier's published accounts) or copies of the same, as may be required by any of the Auditors from time to time during the Call Off Contract Period and the period specified in Clause 21.1, in order that the Auditor(s) may carry out an inspection to assess compliance by the Supplier and/or its Sub-Contractors of any of the Supplier's obligations under this Call Off Contract including for the following purposes to:
- (a) verify the accuracy of the Call Off Contract Charges and any other amounts payable by the Customer under this Call Off Contract (and proposed or actual variations to them in accordance with this Call Off Contract);
  - (b) verify the costs of the Supplier (including the costs of all Sub-Contractors and any third party suppliers) in connection with the provision of the Services;
  - (c) verify the Open Book Data;
  - (d) verify the Supplier's and each Sub-Contractor's compliance with the applicable Law;
  - (e) identify or investigate an actual or suspected Prohibited Act, impropriety or accounting mistakes or any breach or threatened Breach of Security and in these circumstances the Customer shall have no obligation to inform the Supplier of the purpose or objective of its investigations;
  - (f) identify or investigate any circumstances which may impact upon the financial stability of the Supplier, the Framework Guarantor and/or the Call Off Guarantor and/or any Sub-Contractors or their ability to perform the Services;

- (g) obtain such information as is necessary to fulfil the Customer's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes including the supply of information to the Comptroller and Auditor General;
- (h) review any books of account and the internal contract management accounts kept by the Supplier in connection with this Call Off Contract;
- (i) carry out the Customer's internal and statutory audits and to prepare, examine and/or certify the Customer's annual and interim reports and accounts;
- (j) enable the National Audit Office to carry out an examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Customer has used its resources;
- (k) review any Performance Monitoring Reports and/or other records relating to the Supplier's performance of the provision of the Services and to verify that these reflect the Supplier's own internal reports and records;
- (l) verify the accuracy and completeness of any information delivered or required by this Call Off Contract;
- (m) inspect the ICT Environment (or any part of it) and the wider service delivery environment (or any part of it);
- (n) review any records created during the design and development of the Supplier System and pre-operational environment such as information relating to Testing;
- (o) review the Supplier's quality management systems (including all relevant Quality Plans and any quality manuals and procedures);
- (p) review the Supplier's compliance with the Standards;
- (q) inspect the Customer Assets, including the Customer's IPRs, equipment and facilities, for the purposes of ensuring that the Customer Assets are secure and that any register of assets is up to date; and/or
- (r) review the integrity, confidentiality and security of the Customer Data.

21.3 The Customer shall use reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Supplier or delay the provision of the Services save insofar as the Supplier accepts and acknowledges that control over the conduct of audits carried out by the Auditor(s) is outside of the control of the Customer.

21.4 Subject to the Supplier's rights in respect of Confidential Information, the Supplier shall on demand provide the Auditor(s) with all reasonable co-operation and assistance in:

21.4.1 all reasonable information requested by the Customer within the scope of the audit;

21.4.2 reasonable access to sites controlled by the Supplier and to any Supplier Equipment used in the provision of the Services; and

21.4.3 access to the Supplier Personnel.

21.5 The Parties agree that they shall bear their own respective costs and expenses incurred in respect of compliance with their obligations under this Clause 21, unless the audit reveals a Default by the Supplier in which case the Supplier shall reimburse the Customer for the Customer's reasonable costs incurred in relation to the audit.

## 22. CHANGE

### 22.1 Variation Procedure

22.1.1 Subject to the provisions of this Clause 22 and of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing), either Party may request a variation to this Call Off Contract provided that such variation does not amount to a substantial modification of this Call Off Contract within the meaning of the Regulations and the Law. Such a change once implemented is hereinafter called a "**Variation**".

22.1.2A Party may request a Variation by completing and sending the Variation Form to the other Party giving sufficient information for the receiving Party to assess the extent of the proposed Variation and any additional cost that may be incurred.

22.1.3The Customer may require the Supplier to carry out an impact assessment of the Variation on the Services (the "**Impact Assessment**"). The Impact Assessment shall be completed in good faith and shall include:

- (a) details of the impact of the proposed Variation on the Services and the Supplier's ability to meet its other obligations under this Call Off Contract;
- (b) details of the cost of implementing the proposed Variation;
- (c) details of the ongoing costs required by the proposed Variation when implemented, including any increase or decrease in the Call Off Contract Charges, any alteration in the resources and/or expenditure required by either Party and any alteration to the working practices of either Party;
- (d) a timetable for the implementation, together with any proposals for the testing of the Variation; and
- (e) such other information as the Customer may reasonably request in (or in response to) the Variation request.

22.1.4The Parties may agree to adjust the time limits specified in the Variation request to allow for the preparation of the Impact Assessment.

22.1.5Subject to 22.1.4, the receiving Party shall respond to the request within the time limits specified in the Variation Form. Such time limits shall be reasonable and ultimately at the discretion of the Customer having regard to the nature of the Order and the proposed Variation.

22.1.6In the event that:

- (a) the Supplier is unable to agree to or provide the Variation; and/or
- (b) the Parties are unable to agree a change to the Call Off Contract Charges that may be included in a request of a Variation or response to it as a consequence thereof,

the Customer may:

- (i) agree to continue to perform its obligations under this Call Off Contract without the Variation; or
- (ii) terminate this Call Off Contract with immediate effect, except where the Supplier has already fulfilled part or all of the Order in accordance with this Call Off Contract or where the Supplier can show evidence of substantial work being carried out to fulfil the Order, and in such a case the Parties shall attempt to agree upon a resolution to the matter. Where a resolution cannot be reached, the matter shall be dealt with under the Dispute Resolution Procedure.

22.1.7 If the Parties agree the Variation, the Supplier shall implement such Variation and be bound by the same provisions so far as is applicable, as though such Variation was stated in this Call Off Contract.

## 22.2 Legislative Change

22.2.1 The Supplier shall neither be relieved of its obligations under this Call Off Contract nor be entitled to an increase in the Call Off Contract Charges as the result of a:

- (a) General Change in Law;
- (b) Specific Change in Law where the effect of that Specific Change in Law on the Services is reasonably foreseeable at the Call Off Commencement Date.

22.2.2 If a Specific Change in Law occurs or will occur during the Call Off Contract Period (other than as referred to in Clause 22.2.1(b)), the Supplier shall:

- (a) notify the Customer as soon as reasonably practicable of the likely effects of that change including:
  - (i) whether any Variation is required to the provision of the Services, the Call Off Contract Charges or this Call Off Contract; and
  - (ii) whether any relief from compliance with the Supplier's obligations is required, including any obligation to Achieve a Milestone and/or to meet the Service Level Performance Measures; and
- (b) provide to the Customer with evidence:
  - (i) that the Supplier has minimised any increase in costs or maximised any reduction in costs, including in respect of the costs of its Sub-Contractors;
  - (ii) as to how the Specific Change in Law has affected the cost of providing the Services; and
  - (iii) demonstrating that any expenditure that has been avoided, for example which would have been required under the provisions of Clause 18 (Continuous Improvement), has been taken into account in amending the Call Off Contract Charges.

22.2.3 Any change in the Call Off Contract Charges or relief from the Supplier's obligations resulting from a Specific Change in Law (other than as

referred to in Clause 22.2.1(b)) shall be implemented in accordance with the Variation Procedure.

**E. PAYMENT, TAXATION AND VALUE FOR MONEY PROVISIONS**

**23. CALL OFF CONTRACT CHARGES AND PAYMENT**

**23.1 Call Off Contract Charges**

23.1.1 In consideration of the Supplier carrying out its obligations under this Call Off Contract, including the provision of the Services, the Customer shall pay the undisputed Call Off Contract Charges in accordance with the pricing and payment profile and the invoicing procedure in Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing).

23.1.2 Except as otherwise provided, each Party shall each bear its own costs and expenses incurred in respect of compliance with its obligations under Clauses 12 (Testing), 21 (Records, Audit Access and Open Book Data), 35.6 (Freedom of Information), 35.7 (Protection of Personal Data).

23.1.3 If the Customer fails to pay any undisputed Call Off Contract Charges properly invoiced under this Call Off Contract, the Supplier shall have the right to charge interest on the overdue amount at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from the due date up to the date of actual payment, whether before or after judgment.

23.1.4 If at any time during this Call Off Contract Period the Supplier reduces its Framework Prices for any Services which are provided under the Framework Agreement (whether or not such Services are offered in a catalogue, if any, which is provided under the Framework Agreement) in accordance with the terms of the Framework Agreement, the Supplier shall immediately reduce the Call Off Contract Charges for such Services under this Call Off Contract by the same amount.

**23.2 VAT**

23.2.1 The Call Off Contract Charges are stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the Customer following delivery of a Valid Invoice.

23.2.2 The Supplier shall indemnify the Customer on a continuing basis against any liability, including any interest, penalties or costs incurred, which is levied, demanded or assessed on the Customer at any time (whether before or after the making of a demand pursuant to the indemnity hereunder) in respect of the Supplier's failure to account for or to pay any VAT relating to payments made to the Supplier under this Call Off Contract. Any amounts due under this Clause 23.2 (VAT) shall be paid in cleared funds by the Supplier to the Customer not less than five (5) Working Days before the date upon which the tax or other liability is payable by the Customer.

**23.3 Retention and Set Off**

23.3.1 The Customer may retain or set off any amount owed to it by the Supplier against any amount due to the Supplier under this Call Off Contract or under any other agreement between the Supplier and the Customer.

23.3.2 If the Customer wishes to exercise its right pursuant to Clause 23.3.1 it shall give notice to the Supplier within thirty (30) days of receipt of the relevant

invoice, setting out the Customer's reasons for retaining or setting off the relevant Call Off Contract Charges.

23.3.3 The Supplier shall make any payments due to the Customer without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise unless the Supplier has obtained a sealed court order requiring an amount equal to such deduction to be paid by the Customer to the Supplier.

#### 23.4 Foreign Currency

23.4.1 Any requirement of Law to account for the Services in any currency other than Sterling, (or to prepare for such accounting) instead of and/or in addition to Sterling, shall be implemented by the Supplier free of charge to the Customer.

23.4.2 The Customer shall provide all reasonable assistance to facilitate compliance with Clause 23.4.1 by the Supplier.

#### 23.5 Income Tax and National Insurance Contributions

23.5.1 Where the Supplier or any Supplier Personnel are liable to be taxed in the UK or to pay national insurance contributions in respect of consideration received under this Call Off Contract, the Supplier shall:

- (a) at all times comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income tax, and the Social Security Contributions and Benefits Act 1992 and all other statutes and regulations relating to national insurance contributions, in respect of that consideration; and
- (b) indemnify the Customer against any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made (whether before or after the making of a demand pursuant to the indemnity hereunder) in connection with the provision of the Services by the Supplier or any Supplier Personnel.

23.5.2 In the event that any one of the Supplier Personnel is a Worker who receives consideration relating to the Services, then the Supplier shall ensure that its contract with the Worker contains the following provisions:

- (a) that the Customer may, at any time during the Call Off Contract Period, request that the Worker provides information which demonstrates how the Worker complies with the requirements in Clause 23.5.1, or why those requirements do not apply to it. In such case, the Customer may specify the information which the Worker must provide and the period within which that information must be provided;
- (b) that the Worker's contract may be terminated at the Customer's request if:
  - (i) the Worker fails to provide the information requested by the Customer within the time specified by the Customer under Clause 23.5.2(a); and/or
  - (ii) the Worker provides information which the Customer considers is inadequate to demonstrate how the Worker complies with Clauses 23.5.1(a) and 23.5.1(b) or confirms

that the Worker is not complying with those requirements;  
and

- (c) that the Customer may supply any information it receives from the Worker to HMRC for the purpose of the collection and management of revenue for which they are responsible.

## **24. PROMOTING TAX COMPLIANCE**

24.1 If, at any point during the Call Off Contract Period, an Occasion of Tax Non-Compliance occurs, the Supplier shall:

24.1.1 notify the Customer in writing of such fact within five (5) Working Days of its occurrence; and

24.1.2 promptly provide to the Customer:

- (a) details of the steps that the Supplier is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and
- (b) such other information in relation to the Occasion of Tax Non-Compliance as the Customer may reasonably require.

24.2 In the event that the Supplier fails to comply with this Clause 24 and/or does not provide details of proposed mitigating factors which in the reasonable opinion of the Customer are acceptable, then the Customer reserves the right to terminate this Call Off Contract for material Default.

## **25. BENCHMARKING**

25.1 Notwithstanding the Supplier's obligations under Clause 18 (Continuous Improvement), the Customer shall be entitled to regularly benchmark the Call Off Contract Charges and level of performance by the Supplier of the supply of the Services, against other suppliers providing Services substantially the same as the Services during the Call Off Contract Period.

25.2 The Customer, acting reasonably, shall be entitled to use any model to determine the achievement of value for money and to carry out the benchmarking evaluation referred to in Clause 25.1 above.

25.3 The Customer shall be entitled to disclose the results of any benchmarking of the Call Off Contract Charges and provision of the Services to the Authority and any Contracting Authority (subject to the Contracting Authority entering into reasonable confidentiality undertakings).

25.4 The Supplier shall use all reasonable endeavours and act in good faith to supply information required by the Customer in order to undertake the benchmarking and such information requirements shall be at the discretion of the Customer.

25.5 Where, as a consequence of any benchmarking carried out by the Customer, the Customer decides improvements to the Services should be implemented such improvements shall be implemented by way of the Variation Procedure at no additional cost to the Customer.

25.6 The benefit of any work carried out by the Supplier at any time during the Call Off Contract Period to update, improve or provide the Services, facilitate their delivery to any other Contracting Authority and/or any alterations or variations to the Call Off Contract Charges or the provision of the Services, which are identified in

the Continuous Improvement Plan produced by the Supplier and/or as a consequence of any benchmarking carried out by the Authority pursuant to Framework Schedule 12 (Continuous Improvement and Benchmarking), shall be implemented by the Supplier in accordance with the Variation Procedure and at no additional cost to the Customer.

## **F. SUPPLIER PERSONNEL AND SUPPLY CHAIN MATTERS**

### **26. KEY PERSONNEL**

26.1 This Clause 26 shall apply if so specified in the Order Form, or elsewhere in this Call Off Contract. The Parties have agreed to the appointment of the Key Personnel. Part C of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel) lists the key roles ("**Key Roles**") and names of the persons who the Supplier shall appoint to fill those Key Roles at the Call Off Commencement Date.

26.2 The Supplier shall ensure that the Key Personnel fulfil the Key Roles at all times during the Call Off Contract Period.

26.3 The Customer may identify any further roles as being Key Roles and, following agreement to the same by the Supplier, the relevant person selected to fill those Key Roles shall be included on the list of Key Personnel.

26.4 The Supplier shall not remove or replace any Key Personnel (including when carrying out its obligations under Call Off Schedule 11 (Exit Management)) unless:

26.4.1 requested to do so by the Customer;

26.4.2 the person concerned resigns, retires or dies or is on maternity or long-term sick leave;

26.4.3 the person's employment or contractual arrangement with the Supplier or a Sub-Contractor is terminated for material breach of contract by the employee; or

26.4.4 the Supplier obtains the Customer's prior written consent (such consent not to be unreasonably withheld or delayed).

26.5 The Supplier shall:

26.5.1 notify the Customer promptly of the absence of any Key Personnel (other than for short-term sickness or holidays of two (2) weeks or less, in which case the Supplier shall ensure appropriate temporary cover for that Key Role);

26.5.2 ensure that any Key Role is not vacant for any longer than ten (10) Working Days;

26.5.3 give as much notice as is reasonably practicable of its intention to remove or replace any member of Key Personnel and, except in the cases of death, unexpected ill health or a material breach of the Key Personnel's employment contract, this will mean at least three (3) Months' notice;

26.5.4 ensure that all arrangements for planned changes in Key Personnel provide adequate periods during which incoming and outgoing personnel work together to transfer responsibilities and ensure that such change does not have an adverse impact on the provision of the Services; and

26.5.5 ensure that any replacement for a Key Role:

- (a) has a level of qualifications and experience appropriate to the relevant Key Role; and
- (b) is fully competent to carry out the tasks assigned to the Key Personnel whom he or she has replaced.

26.5.6 shall and shall procure that any Sub-Contractor shall not remove or replace any Key Personnel during the Call Off Contract Period without Approval.

26.6 The Customer may require the Supplier to remove any Key Personnel that the Customer considers in any respect unsatisfactory. The Customer shall not be liable for the cost of replacing any Key Personnel.

## **27. SUPPLIER PERSONNEL**

### **27.1 Supplier Personnel**

#### **27.1.1 The Supplier shall:**

- (a) provide a list of the names of all Supplier Personnel requiring admission to Customer Premises, specifying the capacity in which they require admission and giving such other particulars as the Customer may reasonably require;
- (b) ensure that all Supplier Personnel:
  - (i) are appropriately qualified, trained and experienced to provide the Services with all reasonable skill, care and diligence;
  - (ii) are vetted in accordance with Good Industry Practice and, where applicable, the Security Policy and the Standards; and
  - (iii) comply with all reasonable requirements of the Customer concerning conduct at the Customer Premises, including the security requirements set out in Call Off Schedule 8 (Security);
- (c) subject to Call Off Schedule 12 (Staff Transfer), retain overall control of the Supplier Personnel at all times so that the Supplier Personnel shall not be deemed to be employees, agents or contractors of the Customer;
- (d) be liable at all times for all acts or omissions of Supplier Personnel, so that any act or omission of a member of any Supplier Personnel which results in a Default under this Call Off Contract shall be a Default by the Supplier;
- (e) use all reasonable endeavours to minimise the number of changes in Supplier Personnel;
- (f) replace (temporarily or permanently, as appropriate) any Supplier Personnel as soon as practicable if any Supplier Personnel have been removed or are unavailable for any reason whatsoever;
- (g) bear the programme familiarisation and other costs associated with any replacement of any Supplier Personnel; and
- (h) procure that the Supplier Personnel shall vacate the Customer Premises immediately upon the Call Off Expiry Date.

27.1.2 If the Customer reasonably believes that any of the Supplier Personnel are unsuitable to undertake work in respect of this Call Off Contract, it may:

- (a) refuse admission to the relevant person(s) to the Customer Premises; and/or
- (b) direct the Supplier to end the involvement in the provision of the Services of the relevant person(s).

27.1.3 The decision of the Customer as to whether any person is to be refused access to the Customer Premises shall be final and conclusive.

## 27.2 Relevant Convictions

27.2.1 Where specified in the Order Form or elsewhere in this Call Off Contract, the Supplier shall ensure that no person who discloses that he has a Relevant Conviction, or who is found to have any Relevant Convictions (whether as a result of a police check or through the procedure of the Disclosure and Barring Service (DBS) or otherwise), is employed or engaged in any part of the provision of the Services without Approval.

27.2.2 Notwithstanding Clause 27.2.1, for each member of Supplier Personnel who, in providing the Services, has, will have or is likely to have access to children, vulnerable persons or other members of the public to whom the Customer owes a special duty of care, the Supplier shall (and shall procure that the relevant Sub-Contractor shall):

- (a) carry out a check with the records held by the Department for Education (DfE);
- (b) conduct thorough questioning regarding any Relevant Convictions; and
- (c) ensure a police check is completed and such other checks as may be carried out through the Disclosure and Barring Service (DBS),

and the Supplier shall not (and shall ensure that any Sub-Contractor shall not) engage or continue to employ in the provision of the Services any person who has a Relevant Conviction or an inappropriate record.

## 28. STAFF TRANSFER

28.1 The Parties agree that:

28.1.1 where the commencement of the provision of the Services or any part of the Services results in one or more Relevant Transfers, Call Off Schedule 12 (Staff Transfer) shall apply as follows:

- (a) where the Relevant Transfer involves the transfer of Transferring Authority Employees, Part A of Call Off Schedule 12 (Staff Transfer) shall apply;
- (b) where the Relevant Transfer involves the transfer of Transferring Former Supplier Employees, Part B of Call Off Schedule 12 (Staff Transfer) shall apply;

- (c) where the Relevant Transfer involves the transfer of Transferring Authority Employees and Transferring Former Supplier Employees, Parts A and B of Call Off Schedule 12 (Staff Transfer) shall apply; and

- (d) Part C of Call Off Schedule 12 (Staff Transfer) shall not apply;

28.1.2 where commencement of the provision of the Services or a part of the Services does not result in a Relevant Transfer, Part C of Call Off Schedule 12 (Staff Transfer) shall apply and Parts A and B of Call Off Schedule 12 (Staff Transfer) shall not apply; and

28.1.3 Part D of Call Off Schedule 12 (Staff Transfer) shall apply on the expiry or termination of the Services or any part of the Services.

28.2 The Supplier shall both during and after the Call Off Contract Period indemnify the Customer against all Employee Liabilities that may arise as a result of any claims brought against the Customer by any person where such claim arises from any act or omission of the Supplier or any Supplier Personnel.

## **29. SUPPLY CHAIN RIGHTS AND PROTECTION**

### **29.1 Appointment of Sub-Contractors**

29.1.1 The Supplier shall exercise due skill and care in the selection of any Sub-Contractors to ensure that the Supplier is able to:

- (a) manage any Sub-Contractors in accordance with Good Industry Practice;
- (b) comply with its obligations under this Call Off Contract in the Delivery of the Services; and
- (c) assign, novate or otherwise transfer to the Customer or any Replacement Supplier any of its rights and/or obligations under each Sub-Contract that relates exclusively to this Call Off Contract.

29.1.2 Prior to sub-contacting any of its obligations under this Call Off Contract, the Supplier shall provide the Customer with:

- (a) the proposed Sub-Contractor's name, registered office and company registration number;
- (b) the scope of any Services to be provided by the proposed Sub-Contractor; and
- (c) where the proposed Sub-Contractor is an Affiliate of the Supplier, evidence that demonstrates to the reasonable satisfaction of the Customer that the proposed Sub-Contract has been agreed on "arm's-length" terms.

29.1.3 If requested by the Customer within ten (10) Working Days of receipt of the Supplier's notice issued pursuant to Clause 29.1.2, the Supplier shall also provide:

- (a) a copy of the proposed Sub-Contract; and
- (b) any further information reasonably requested by the Customer.

29.1.4 The Customer may, within ten (10) Working Days of receipt of the Supplier's notice issued pursuant to Clause 29.1.2 (or, if later, receipt of any

further information requested pursuant to Clause 29.1.3), object to the appointment of the relevant Sub-Contractor they consider that:

- (a) the appointment of a proposed Sub-Contractor may prejudice the provision of the Services or may be contrary to the interests respectively of the Customer under this Call Off Contract;
  - (b) the proposed Sub-Contractor is unreliable and/or has not provided reasonable services to its other customers; and/or
  - (c) the proposed Sub-Contractor employs unfit persons,
- in which case, the Supplier shall not proceed with the proposed appointment.

**29.1.5 If:**

- (a) the Customer has not notified the Supplier that it objects to the proposed Sub-Contractor's appointment by the later of ten (10) Working Days of receipt of:
  - (i) the Supplier's notice issued pursuant to Clause 29.1.2; and
  - (ii) any further information requested by the Customer pursuant to Clause 29.1.3; and
- (b) the proposed Sub-Contract is not a Key Sub-Contract which shall require the written consent of the Authority and the Customer in accordance with Clause 29.2 (Appointment of Key Sub-Contractors).

the Supplier may proceed with the proposed appointment.

**29.2 Appointment of Key Sub-Contractors**

29.2.1 The Authority and the Customer have consented to the engagement of the Key Sub-Contractors listed in Framework Schedule 7 (Key Sub-Contractors).

29.2.2 Where the Supplier wishes to enter into a new Key Sub-Contract or replace a Key Sub-Contractor, it must obtain the prior written consent of the Authority and the Customer (the decision to consent or not will not be unreasonably withheld or delayed). The Authority and/or the Customer may reasonably withhold its consent to the appointment of a Key Sub-Contractor if any of them considers that:

- (a) the appointment of a proposed Key Sub-Contractor may prejudice the provision of the Services or may be contrary to its interests;
- (b) the proposed Key Sub-Contractor is unreliable and/or has not provided reasonable services to its other customers; and/or
- (c) the proposed Key Sub-Contractor employs unfit persons.

29.2.3 Except where the Authority and the Customer have given their prior written consent under Clause 29.2.1, the Supplier shall ensure that each Key Sub-Contract shall include:

- (a) provisions which will enable the Supplier to discharge its obligations under this Call Off Contract;

- (b) a right under CRTPA for the Customer to enforce any provisions under the Key Sub-Contract which confer a benefit upon the Customer;
- (c) a provision enabling the Customer to enforce the Key Sub-Contract as if it were the Supplier;
- (d) a provision enabling the Supplier to assign, novate or otherwise transfer any of its rights and/or obligations under the Key Sub-Contract to the Customer or any Replacement Supplier;
- (e) obligations no less onerous on the Key Sub-Contractor than those imposed on the Supplier under this Call Off Contract in respect of:
  - (i) data protection requirements set out in Clauses 35.1 (Security Requirements), 35.3 (Protection of Customer Data) and 35.7 (Protection of Personal Data);
  - (ii) FOIA requirements set out in Clause 35.6 (Freedom of Information);
  - (iii) the obligation not to embarrass the Customer or otherwise bring the Customer into disrepute set out in Clause 7.1.4(j) (Provision of Services);
  - (iv) the keeping of records in respect of the Services being provided under the Key Sub-Contract, including the maintenance of Open Book Data; and
  - (v) the conduct of audits set out in Clause 21 (Records, Audit Access & Open Book Data);
- (f) provisions enabling the Supplier to terminate the Key Sub-Contract on notice on terms no more onerous on the Supplier than those imposed on the Customer under Clauses 42 (Customer Termination Rights), 44 (Termination by Either Party) and 46 (Consequences of Expiry or Termination) of this Call Off Contract;
- (g) a provision restricting the ability of the Key Sub-Contractor to Sub-Contract all or any part of the provision of the Services provided to the Supplier under the Sub-Contract without first seeking the written consent of the Customer;
- (h) a provision, where a provision in Call Off Schedule 12 (Staff Transfer) imposes an obligation on the Supplier to provide an indemnity, undertaking or warranty, requiring the Key Sub-Contractor to provide such indemnity, undertaking or warranty to the Customer, Former Supplier or the Replacement Supplier as the case may be.

### 29.3 Supply Chain Protection

#### 29.3.1 The Supplier shall ensure that all Sub-Contracts contain a provision:

- (a) requiring the Supplier to pay any undisputed sums which are due from it to the Sub-Contractor within a specified period not exceeding thirty (30) days from the receipt of a Valid Invoice;
- (b) requiring that any invoices submitted by a Sub-Contractor shall be considered and verified by the Supplier in a timely fashion

and that undue delay in doing so shall not be sufficient justification for failing to regard an invoice as valid and undisputed;

- (c) requiring the Sub-Contractor to include in any Sub-Contract which it in turn awards suitable provisions to impose, as between the parties to that Sub-Contract, requirements to the same effect as those required by sub-clauses (a) and (b) above; and
- (d) conferring a right to the Customer to publish the Supplier's compliance with its obligation to pay undisputed invoices within the specified payment period.

**29.3.2 The Supplier shall:**

- (a) pay any undisputed sums which are due from it to a Sub-Contractor within thirty (30) days from the receipt of a Valid Invoice;
- (b) include within the Performance Monitoring Reports a summary of its compliance with this Clause 29.3.2, such data to be certified each quarter by a director of the Supplier as being accurate and not misleading.

29.3.3 Notwithstanding any provision of Clauses 35.4 (Confidentiality) and 36 (Publicity and Branding) if the Supplier notifies the Customer that the Supplier has failed to pay an undisputed Sub-Contractor's invoice within thirty (30) days of receipt, or the Customer otherwise discovers the same, the Customer shall be entitled to publish the details of the late or non-payment (including on government websites and in the press).

**29.4 Termination of Sub-Contracts**

**29.4.1 The Customer may require the Supplier to terminate:**

- (a) a Sub-Contract where:
  - (i) the acts or omissions of the relevant Sub-Contractor have caused or materially contributed to the Customer's right of termination pursuant any of the termination events in Clause 42 (Customer Termination Rights) except Clause 42.7 (Termination Without Cause); and/or
  - (ii) the relevant Sub-Contractor or its Affiliates embarrassed the Customer or otherwise brought the Customer into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Customer, regardless of whether or not such act or omission is related to the Sub-Contractor's obligations in relation to the Services or otherwise;
- (b) a Key Sub-Contract where there is a Change of Control of the relevant Key Sub-Contractor, unless:
  - (i) the Customer has given its prior written consent to the particular Change of Control, which subsequently takes place as proposed; or
  - (ii) the Customer has not served its notice of objection within six (6) Months of the later of the date the Change of Control

took place or the date on which the Customer was given notice of the Change of Control.

## 29.5 Competitive Terms

29.5.1 If the Customer is able to obtain from any Sub-Contractor or any other third party more favourable commercial terms with respect to the supply of any materials, equipment, software, goods or services used by the Supplier or the Supplier Personnel in the supply of the Services, then the Customer may:

- (a) require the Supplier to replace its existing commercial terms with its Sub-Contractor with the more favourable commercial terms obtained by the Customer in respect of the relevant item; or
- (b) subject to Clause 29.4 (Termination of Sub-Contracts), enter into a direct agreement with that Sub-Contractor or third party in respect of the relevant item.

29.5.2 If the Customer exercises the option pursuant to Clause 29.5.1, then the Call Off Contract Charges shall be reduced by an amount that is agreed in accordance with the Variation Procedure.

29.5.3 The Customer's right to enter into a direct agreement for the supply of the relevant items is subject to:

- (a) the Customer making the relevant item available to the Supplier where this is necessary for the Supplier to provide the Services; and
- (b) any reduction in the Call Off Contract Charges taking into account any unavoidable costs payable by the Supplier in respect of the substituted item, including in respect of any licence fees or early termination charges.

## 29.6 Retention of Legal Obligations

29.6.1 Notwithstanding the Supplier's right to sub-contract pursuant to this Clause 29 (Supply Chain Rights and Protection), the Supplier shall remain responsible for all acts and omissions of its Sub-Contractors and the acts and omissions of those employed or engaged by the Sub-Contractors as if they were its own.

## **G. PROPERTY MATTERS**

### **30. CUSTOMER PREMISES**

#### 30.1 Licence to occupy Customer Premises

30.1.1 Any Customer Premises shall be made available to the Supplier on a non-exclusive licence basis free of charge and shall be used by the Supplier solely for the purpose of performing its obligations under this Call Off Contract. The Supplier shall have the use of such Customer Premises as licensee and shall vacate the same immediately upon completion, termination, expiry or abandonment of this Call Off Contract and in accordance with Call Off Schedule 11 (Exit Management).

30.1.2 The Supplier shall limit access to the Customer Premises to such Supplier Personnel as is necessary to enable it to perform its obligations under this Call Off Contract and the Supplier shall co-operate (and ensure that the Supplier Personnel co-operate) with such other persons working

concurrently on such Customer Premises as the Customer may reasonably request.

30.1.3 Save in relation to such actions identified by the Supplier in accordance with Clause 2.1.3(a) (Due Diligence) and set out in the Order Form (or elsewhere in this Call Off Contract), should the Supplier require modifications to the Customer Premises, such modifications shall be subject to Approval and shall be carried out by the Customer at the Supplier's expense. The Customer shall undertake any modification work which it approves pursuant to this Clause 30.1.3 without undue delay. Ownership of such modifications shall rest with the Customer.

30.1.4 The Supplier shall observe and comply with such rules and regulations as may be in force at any time for the use of such Customer Premises and conduct of personnel at the Customer Premises as determined by the Customer, and the Supplier shall pay for the full cost of making good any damage caused by the Supplier Personnel other than fair wear and tear. For the avoidance of doubt, damage includes without limitation damage to the fabric of the buildings, plant, fixed equipment or fittings therein.

30.1.5 The Parties agree that there is no intention on the part of the Customer to create a tenancy of any nature whatsoever in favour of the Supplier or the Supplier Personnel and that no such tenancy has or shall come into being and, notwithstanding any rights granted pursuant to this Call Off Contract, the Customer retains the right at any time to use any Customer Premises in any manner it sees fit.

## **30.2 Security of Customer Premises**

30.2.1 The Customer shall be responsible for maintaining the security of the Customer Premises in accordance with the Security Policy. The Supplier shall comply with the Security Policy and any other reasonable security requirements of the Customer while on the Customer Premises.

30.2.2 The Customer shall afford the Supplier upon Approval ( the decision to Approve or not will not be unreasonably withheld or delayed) an opportunity to inspect its physical security arrangements.

## **31. CUSTOMER PROPERTY**

31.1 Where the Customer issues Customer Property free of charge to the Supplier such Customer Property shall be and remain the property of the Customer and the Supplier irrevocably licences the Customer and its agents to enter upon any premises of the Supplier during normal business hours on reasonable notice to recover any such Customer Property.

31.2 The Supplier shall not in any circumstances have a lien or any other interest on the Customer Property and at all times the Supplier shall possess the Customer Property as fiduciary agent and bailee of the Customer.

31.3 The Supplier shall take all reasonable steps to ensure that the title of the Customer to the Customer Property and the exclusion of any such lien or other interest are brought to the notice of all Sub-Contractors and other appropriate persons and shall, at the Customer's request, store the Customer Property separately and securely and ensure that it is clearly identifiable as belonging to the Customer.

31.4 The Customer Property shall be deemed to be in good condition when received by or on behalf of the Supplier unless the Supplier notifies the Customer otherwise within five (5) Working Days of receipt.

31.5 The Supplier shall maintain the Customer Property in good order and condition (excluding fair wear and tear) and shall use the Customer Property solely in connection with this Call Off Contract and for no other purpose without Approval.

31.6 The Supplier shall ensure the security of all the Customer Property whilst in its possession, either on the Sites or elsewhere during the supply of the Services, in accordance with the Customer's Security Policy and the Customer's reasonable security requirements from time to time.

31.7 The Supplier shall be liable for all loss of, or damage to the Customer Property, (excluding fair wear and tear), unless such loss or damage was solely caused by a Customer Cause. The Supplier shall inform the Customer immediately of becoming aware of any defects appearing in or losses or damage occurring to the Customer Property.

## **32. SUPPLIER EQUIPMENT**

32.1 Unless otherwise stated in the Order Form (or elsewhere in this Call Off Contract), the Supplier shall provide all the Supplier Equipment necessary for the provision of the Services.

32.2 The Supplier shall not deliver any Supplier Equipment nor begin any work on the Customer Premises without obtaining Approval.

32.3 The Supplier shall be solely responsible for the cost of carriage of the Supplier Equipment to the Sites and/or any Customer Premises, including its off-loading, removal of all packaging and all other associated costs. Likewise on the Call Off Expiry Date the Supplier shall be responsible for the removal of all relevant Supplier Equipment from the Sites and/or any Customer Premises, including the cost of packing, carriage and making good the Sites and/or the Customer Premises following removal.

32.4 All the Supplier's property, including Supplier Equipment, shall remain at the sole risk and responsibility of the Supplier, except that the Customer shall be liable for loss of or damage to any of the Supplier's property located on Customer Premises which is due to the negligent act or omission of the Customer.

32.5 Subject to any express provision of the BCDR Plan to the contrary, the loss or destruction for any reason of any Supplier Equipment shall not relieve the Supplier of its obligation to supply the Services in accordance with this Call Off Contract, including the Service Level Performance Measures.

32.6 The Supplier shall maintain all Supplier Equipment within the Sites and/or the Customer Premises in a safe, serviceable and clean condition.

32.7 The Supplier shall, at the Customer's written request, at its own expense and as soon as reasonably practicable:

32.7.1 remove from the Customer Premises any Supplier Equipment or any component part of Supplier Equipment which in the reasonable opinion of the Customer is either hazardous, noxious or not in accordance with this Call Off Contract; and

32.7.2 replace such Supplier Equipment or component part of Supplier Equipment with a suitable substitute item of Supplier Equipment.

32.8 For the purposes of this Clause 32.8, 'X' shall be the number of Service Failures, and 'Y' shall be the period in Months, as respectively specified for 'X' and 'Y' in the Order Form or elsewhere in this Call Off Contract. If this Clause is specified to apply, and there are no values specified for 'X' and/or 'Y', in default, 'X' shall be two (2) and 'Y' shall be twelve (12). Where a failure of Supplier Equipment

or any component part of Supplier Equipment causes X or more Service Failures in any Y Month Period, the Supplier shall notify the Customer in writing and shall, at the Customer's request (acting reasonably), replace such Supplier Equipment or component part thereof at its own cost with a new item of Supplier Equipment or component part thereof (of the same specification or having the same capability as the Supplier Equipment being replaced).

### 33. MAINTENANCE OF THE ICT ENVIRONMENT

33.1 If specified by the Customer in the Order Form (or elsewhere in this Call Off Contract), the Supplier shall create and maintain a rolling schedule of planned maintenance to the ICT Environment ("**Maintenance Schedule**").

33.2 The Supplier shall provide to the Customer a draft Maintenance Schedule for Approval within such period of time and in accordance with any other instructions of the Customer as specified in the Order Form (or elsewhere in this Call Off Contract).

33.3 Once the Maintenance Schedule has been Approved, the Supplier shall only undertake such planned maintenance (which shall be known as "**Permitted Maintenance**") in accordance with the Maintenance Schedule.

33.4 The Supplier shall give as much notice as is reasonably practicable to the Customer prior to carrying out any Emergency Maintenance.

33.5 The Supplier shall carry out any necessary maintenance (whether Permitted Maintenance or Emergency Maintenance) where it reasonably suspects that the ICT Environment and/or the Services or any part thereof has or may have developed a fault. Any such maintenance shall be carried out in such a manner and at such times so as to avoid (or where this is not possible so as to minimise) disruption to the ICT Environment and the provision of the Services.

## H. INTELLECTUAL PROPERTY AND INFORMATION

### 34. INTELLECTUAL PROPERTY RIGHTS

34.1 Allocation of title to IPR

34.1.1 Save as expressly granted elsewhere under this Call Off Contract:

- (a) the Customer shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Supplier or its licensors, including:
  - (i) in the Supplier Software;
  - (ii) the Supplier Background IPR;
  - (iii) in the Third Party Software;
  - (iv) the Third Party IPR;
  - (v) in the Specially Written Software; and
  - (vi) the Project Specific IPR.
- (b) the Supplier shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Customer or its licensors, including the:
  - (i) Customer Software;
  - (ii) Customer Background IPR; and

(iii) Customer Data.

34.1.2 Where either Party acquires, by operation of Law, title to Intellectual Property Rights that is inconsistent with the allocation of title set out in Clause 34.1, it shall assign in writing such Intellectual Property Rights as it has acquired to the other Party on the request of the other Party (whenever made).

34.1.3 Neither Party shall have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.

34.2 Licences granted by the Supplier: Specially Written Software and Project Specific IPR

34.2.1 The Supplier hereby grants to the Customer, or shall procure the direct grant to the Customer of, a perpetual, royalty-free, irrevocable, non-exclusive licence to use:

- (a) the Documentation, Source Code and the object code of the Specially Written Software (including any Supplier Background IPR or Third Party IPR that are embedded in or which are an integral part of the Specially Written Software) which shall include the right to load, execute, interpret, store, transmit, display, copy (for the purposes of loading, execution, interpretation, storage, transmission or display), modify, adapt, enhance, reverse compile, decode and translate such Specially Written Software;
- (b) all build instructions, test instructions, test scripts, test data, operating instructions and other documents and tools necessary for maintaining and supporting the Specially Written Software (together the **"Software Supporting Materials"**); and
- (c) the Project Specific IPR including but not limited to the right to copy, adapt, publish (including on the ICT Environment) and distribute such Project Specific IPR.

34.2.2 The Supplier shall:

- (a) inform the Customer of all Specially Written Software that constitutes a modification or enhancement to Supplier Software or Third Party Software; and
- (b) deliver to the Customer the Specially Written Software in both Source Code and object code forms together with relevant Documentation and all related Software Supporting Materials within seven days of completion or, if a relevant Milestone has been identified in an Implementation Plan, Achievement of that Milestone and shall provide updates of the Source Code and of the Software Supporting Materials promptly following each new release of the Specially Written Software, in each case on media that is reasonably acceptable to the Customer.

34.2.3 The Supplier acknowledges and agrees that the ownership of the media referred to in Clause 34.2.2(b) shall vest in the Customer upon their receipt by the Customer.

34.3 Licences granted by the Supplier: Supplier Software and Supplier Background IPR

34.3.1 The Supplier hereby grants to the Customer a perpetual, royalty-free and non-exclusive licence to use:

- (a) the Supplier Software for any purpose relating to the Services (or substantially equivalent Services) or for any purpose relating to the exercise of the Customer's (or, if the Customer is a Central Government Body, any other Central Government Body's) business or function including but not limited to the right to load, execute, store, transmit, display and copy (for the purposes of archiving, backing-up, loading, execution, storage, transmission or display); and
- (b) the Supplier Background IPR for any purpose relating to the Services (or substantially equivalent Services) or for any purpose relating to the exercise of the Customer's (or, if the Customer is a Central Government Body, any other Central Government Body's) business or function.

34.3.2 At any time during the Call Off Contract Period or following the Call Off Expiry Date, the Supplier may terminate a licence granted in respect of the Supplier Software or the Supplier Background IPR under Clause 34.3.1 by giving thirty (30) days' notice in writing (or such other period as agreed by the Parties) if there is a Customer Cause which constitutes a material breach of the terms of Clauses 34.3.1(a) or 34.3.1(b) (as the case may be) which, if the breach is capable of remedy, is not remedied within twenty (20) Working Days after the Supplier gives the Customer written notice specifying the breach and requiring its remedy.

34.3.3 In the event the licence of the Supplier Software or the Supplier Background IPR is terminated pursuant to Clause 34.3.2, the Customer shall:

- (a) immediately cease all use of the Supplier Software or the Supplier Background IPR (as the case may be);
- (b) at the discretion of the Supplier, return or destroy documents and other tangible materials that contain any of the Supplier Software and/or the Supplier Background IPR, provided that if the Supplier has not made an election within six (6) Months of the termination of the licence, the Customer may destroy the documents and other tangible materials that contain any of the Supplier Software and/or the Supplier Background IPR (as the case may be); and
- (c) ensure, so far as reasonably practicable, that any Supplier Software and/or Supplier Background IPR that are held in electronic, digital or other machine-readable form ceases to be readily accessible (other than by the information technology staff of the Customer) from any computer, word processor, voicemail system or any other device containing such Supplier Software and/or Supplier Background IPR.

#### 34.4 Customer's right to sub-license

34.4.1 The Customer shall be freely entitled to sub-license the rights granted to it pursuant to Clause 34.2.1 (Licences granted by the Supplier: Specially Written Software and Project Specific IPR).

34.4.2 The Customer may sub-license:

- (a) the rights granted under Clause 34.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) to a third party (including for the avoidance of doubt, any Replacement Supplier) provided that:
  - (i) the sub-licence is on terms no broader than those granted to the Customer; and
  - (ii) the sub-licence only authorises the third party to use the rights licensed in Clause 34.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) for purposes relating to the Services (or substantially equivalent Services) or for any purpose relating to the exercise of the Customer's (or, if the Customer is a Central Government Body, any other Central Government Body's) business or function; and
- (b) the rights granted under Clause 34.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) to any Approved Sub-Licensee to the extent necessary to use and/or obtain the benefit of the Specifically Written Software and/or the Project Specific IPR provided that the sub-licence is on terms no broader than those granted to the Customer.

#### 34.5 Customer's right to assign/novate licences

##### 34.5.1 The Customer:

- (a) shall be freely entitled to assign, novate or otherwise transfer its rights and obligations under the licence granted to it pursuant to Clause 34.2.1 (Licences granted by the Supplier: Specially Written Software and Project Specific IPR); and
- (b) may assign, novate or otherwise transfer its rights and obligations under the licence granted pursuant to Clause 34.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) to:
  - (i) a Central Government Body; or
  - (ii) to any body (including any private sector body) which performs or carries on any of the functions and/or activities that previously had been performed and/or carried on by the Customer.
- (c) Where the Customer is a Central Government Body, any change in the legal status of the Customer which means that it ceases to be a Central Government Body shall not affect the validity of any licence granted in Clause 34.2.1 (Licences granted by the Supplier: Specially Written Software and Project Specific IPR) and/or Clause 34.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR). If the Customer ceases to be a Central Government Body, the successor body to the Customer shall still be entitled to the benefit of the licences granted in Clause 34.2.1 (Licences granted by the Supplier: Specially Written Software and Project Specific IPR) and Clause 34.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR).

- (d) If a licence granted in Clause 34.2.1 (Licences granted by the Supplier: Specially Written Software and Project Specific IPR) and/or Clause 34.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) is novated under Clause 34.5.1(b) or there is a change of the Customer's status pursuant to Clause 34.5.1(c) (both such bodies being referred to as the "**Transferee**"), the rights acquired by the Transferee shall not extend beyond those previously enjoyed by the Customer.

#### 34.6 Third Party IPR and Third Party Software

34.6.1 The Supplier shall procure that the owners or the authorised licensors of any Third Party IPR and any Third Party Software which is not commercial off-the-shelf software grant a direct licence to the Customer on terms at least equivalent to those set out in Clause 34.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) and Clause 34.5.1(b) (Customer's right to assign/novate licences). If the Supplier cannot obtain for the Customer a licence materially in accordance with the licence terms set out in Clause 34.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) and Clause 34.5.1(b) (Customer's right to assign/novate licences) in respect of any such Third Party IPR and/or Third Party Software, the Supplier shall:

- (a) notify the Customer in writing giving details of what licence terms can be obtained from the relevant third party and whether there are alternative software providers which the Supplier could seek to use; and
- (b) only use such Third Party IPR and/or Third Party Software if the Customer Approves the terms of the licence from the relevant third party.

34.6.2 The Supplier shall procure that the owners or the authorised licensors of any Third Party Software which is commercial off-the-shelf software grants a direct licence to the Customer on terms no less favourable than such software is usually made available.

#### 34.7 Licence granted by the Customer

34.7.1 The Customer hereby grants to the Supplier a royalty-free, non-exclusive, non-transferable licence during the Call Off Contract Period to use the Customer Software, the Customer Background IPR and the Customer Data solely to the extent necessary for providing the Services in accordance with this Call Off Contract, including (but not limited to) the right to grant sub-licences to Sub-Contractors provided that:

- (a) any relevant Sub-Contractor has entered into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 35.4 (Confidentiality); and
- (b) the Supplier shall not without Approval use the licensed materials for any other purpose or for the benefit of any person other than the Customer.

#### 34.8 Termination of licenses

34.8.1 Subject to Clauses 34.3.2 and/or 34.3.3 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR), all licences granted pursuant to this Clause 34 (Intellectual Property Rights) (other than

those granted pursuant to Clause 34.6.2 (Third Party IPR and Third Party Software) and 34.7.1 (Licence granted by the Customer)) shall survive the Call Off Expiry Date.

34.8.2 The Supplier shall, if requested by the Customer in accordance with Call Off Schedule 11 (Exit Management), grant (or procure the grant) to the Replacement Supplier of a licence to use any Supplier Software, Supplier Background IPR, Third Party IPR and/or Third Party Software on terms equivalent to those set out in Clause 34.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) subject to the Replacement Supplier entering into reasonable confidentiality undertakings with the Supplier.

34.8.3 The licence granted pursuant to Clause 34.7.1 (Licence granted by the Customer ) and any sub-licence granted by the Supplier in accordance with Clause 34.7.1 (Licence granted by the Customer) shall terminate automatically on the Call Off Expiry Date and the Supplier shall:

- (a) immediately cease all use of the Customer Software, the Customer Background IPR and the Customer Data (as the case may be);
- (b) at the discretion of the Customer, return or destroy documents and other tangible materials that contain any of the Customer Software, the Customer Background IPR and the Customer Data, provided that if the Customer has not made an election within six Months of the termination of the licence, the Supplier may destroy the documents and other tangible materials that contain any of the Customer Software, the Customer Background IPR and the Customer Data (as the case may be); and
- (c) ensure, so far as reasonably practicable, that any Customer Software, Customer Background IPR and Customer Data that are held in electronic, digital or other machine-readable form ceases to be readily accessible from any computer, word processor, voicemail system or any other device of the Supplier containing such Customer Software, Customer Background IPR and/or Customer Data.

#### 34.9 IPR Indemnity

34.9.1 The Supplier shall at during and after the Call Off Contract Period, on written demand indemnify the Customer against all Losses incurred by, awarded against or agreed to be paid by the Customer (whether before or after the making of the demand pursuant to the indemnity hereunder) arising from an IPR Claim.

34.9.2 If an IPR Claim is made, or the Supplier anticipates that an IPR Claim might be made, the Supplier may, at its own expense and sole option, either:

- (a) procure for the Customer the right to continue using the relevant item which is subject to the IPR Claim; or
- (b) replace or modify the relevant item with non-infringing substitutes provided that:
  - (i) the performance and functionality of the replaced or modified item is at least equivalent to the performance and functionality of the original item;

- (ii) the replaced or modified item does not have an adverse effect on any other Services or the ICT Environment;
- (iii) there is no additional cost to the Customer; and
- (iv) the terms and conditions of this Call Off Contract shall apply to the replaced or modified Services.

34.9.3 If the Supplier elects to procure a licence in accordance with Clause 34.9.2(a) or to modify or replace an item pursuant to Clause 34.9.2(b), but this has not avoided or resolved the IPR Claim, then:

- (a) the Customer may terminate this Call Off Contract by written notice with immediate effect; and
- (b) without prejudice to the indemnity set out in Clause 34.9.1, the Supplier shall be liable for all reasonable and unavoidable costs of the substitute Services including the additional costs of procuring, implementing and maintaining the substitute items.

34.9.4 The provisions of Clauses 34.9.1 to 34.9.3 (inclusive) shall not apply to the extent that any IPR Claim is caused by any use by or on behalf of the Customer of the Software, or the use of the Customer Software by or on behalf of the Supplier, in either case in combination with any item not supplied or recommended by the Supplier pursuant to this Call Off Contract or in a manner not reasonably to be inferred from the description of the Services in Call Off Schedule 2 (Services) or the provisions of this Call Off Contract.

#### **34.10 Escrowed Material – NOT USED**

### **35. SECURITY AND PROTECTION OF INFORMATION**

#### **35.1 Security Requirements**

35.1.1 The Supplier shall comply with the Security Policy and the requirements of Call Off Schedule 8 (Security) including the Security Management Plan (if any) and shall ensure that the Security Management Plan produced by the Supplier fully complies with the Security Policy.

35.1.2 The Customer shall notify the Supplier of any changes or proposed changes to the Security Policy.

35.1.3 If the Supplier believes that a change or proposed change to the Security Policy will have a material and unavoidable cost implication to the provision of the Services it may propose a Variation to the Customer. In doing so, the Supplier must support its request by providing evidence of the cause of any increased costs and the steps that it has taken to mitigate those costs. Any change to the Call Off Contract Charges shall then be subject to the Variation Procedure.

35.1.4 Until and/or unless a change to the Call Off Contract Charges is agreed by the Customer pursuant to the Variation Procedure the Supplier shall continue to provide the Services in accordance with its existing obligations.

#### **35.2 Malicious Software**

35.2.1 The Supplier shall, as an enduring obligation throughout the Call Off Contract Period use the latest versions of anti-virus definitions and software

available from an industry accepted anti-virus software vendor (unless otherwise agreed in writing between the Parties) to check for, contain the spread of, and minimise the impact of Malicious Software (or as otherwise agreed between the Parties).

35.2.2 Notwithstanding Clause 35.2.1, if Malicious Software is found, the Parties shall co-operate to reduce the effect of the Malicious Software and, particularly if Malicious Software causes loss of operational efficiency or loss or corruption of Customer Data, assist each other to mitigate any losses and to restore the provision of the Services to its desired operating efficiency.

35.2.3 Any cost arising out of the actions of the Parties taken in compliance with the provisions of Clause 35.2.2 shall be borne by the Parties as follows:

- (a) by the Supplier, where the Malicious Software originates from the Supplier Software, the Third Party Software supplied by the Supplier (except where the Customer has waived the obligation set out in Clause 35.2.1) or the Customer Data (whilst the Customer Data was under the control of the Supplier) unless the Supplier can demonstrate that such Malicious Software was present and not quarantined or otherwise identified by the Customer when provided to the Supplier; and
- (b) by the Customer if the Malicious Software originates from the Customer Software (in respect of which the Customer has waived its obligation set out in Clause 35.2.1) or the Customer Data (whilst the Customer Data was under the control of the Customer).

### 35.3 Protection of Customer Data

35.3.1 The Supplier shall not delete or remove any proprietary notices contained within or relating to the Customer Data.

35.3.2 The Supplier shall not store, copy, disclose, or use the Customer Data except as necessary for the performance by the Supplier of its obligations under this Call Off Contract or as otherwise Approved by the Customer.

35.3.3 To the extent that the Customer Data is held and/or Processed by the Supplier, the Supplier shall supply that Customer Data to the Customer as requested by the Customer and in the format (if any) specified in this Call Off Contract and in any event as specified by the Customer from time to time in writing.

35.3.4 The Supplier shall take responsibility for preserving the integrity of Customer Data and preventing the corruption or loss of Customer Data.

35.3.5 The Supplier shall perform secure back-ups of all Customer Data and shall ensure that up-to-date back-ups are stored off-site at an Approved location in accordance with any BCDR Plan or otherwise. The Supplier shall ensure that such back-ups are available to the Customer (or to such other person as the Customer may direct) at all times upon request and are delivered to the Customer at no less than six (6) Monthly intervals (or such other intervals as may be agreed in writing between the Parties).

35.3.6 The Supplier shall ensure that any system on which the Supplier holds any Customer Data, including back-up data, is a secure system that complies with the Security Policy and the Security Management Plan (if any).

35.3.7 If at any time the Supplier suspects or has reason to believe that the Customer Data is corrupted, lost or sufficiently degraded in any way for any

reason, then the Supplier shall notify the Customer immediately and inform the Customer of the remedial action the Supplier proposes to take.

35.3.8 If the Customer Data is corrupted, lost or sufficiently degraded as a result of a Default so as to be unusable, the Supplier may:

- (a) require the Supplier (at the Supplier's expense) to restore or procure the restoration of Customer Data to the extent and in accordance with the requirements specified in Call Off Schedule 10 (Business Continuity and Disaster Recovery) or as otherwise required by the Customer, and the Supplier shall do so as soon as practicable but not later than five (5) Working Days from the date of receipt of the Customer's notice; and/or
- (b) itself restore or procure the restoration of Customer Data, and shall be repaid by the Supplier any reasonable expenses incurred in doing so to the extent and in accordance with the requirements specified in Call Off Schedule 10 (Business Continuity and Disaster Recovery) or as otherwise required by the Customer.

#### 35.4 Confidentiality

35.4.1 For the purposes of this Clause 35.4, the term **"Disclosing Party"** shall mean a Party which discloses or makes available directly or indirectly its Confidential Information and **"Recipient"** shall mean the Party which receives or obtains directly or indirectly Confidential Information.

35.4.2 Except to the extent set out in this Clause 35.4 or where disclosure is expressly permitted elsewhere in this Call Off Contract, the Recipient shall:

- (a) treat the Disclosing Party's Confidential Information as confidential and keep it in secure custody (which is appropriate depending upon the form in which such materials are stored and the nature of the Confidential Information contained in those materials);
- (b) not disclose the Disclosing Party's Confidential Information to any other person except as expressly set out in this Call Off Contract or without obtaining the owner's prior written consent;
- (c) not use or exploit the Disclosing Party's Confidential Information in any way except for the purposes anticipated under this Call Off Contract; and
- (d) immediately notify the Disclosing Party if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Disclosing Party's Confidential Information.

35.4.3 The Recipient shall be entitled to disclose the Confidential Information of the Disclosing Party where:

- (a) the Recipient is required to disclose the Confidential Information by Law, provided that Clause 35.6 (Freedom of Information) shall apply to disclosures required under the FOIA or the EIRs;
- (b) the need for such disclosure arises out of or in connection with:
  - (i) any legal challenge or potential legal challenge against the Customer arising out of or in connection with this Call Off Contract;

- (ii) the examination and certification of the Customer's accounts (provided that the disclosure is made on a confidential basis) or for any examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Customer is making use of any Services provided under this Call Off Contract; or
- (iii) the conduct of a Central Government Body review in respect of this Call Off Contract; or
- (c) the Recipient has reasonable grounds to believe that the Disclosing Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010 and the disclosure is being made to the Serious Fraud Office.

35.4.4 If the Recipient is required by Law to make a disclosure of Confidential Information, the Recipient shall as soon as reasonably practicable and to the extent permitted by Law notify the Disclosing Party of the full circumstances of the required disclosure including the relevant Law and/or regulatory body requiring such disclosure and the Confidential Information to which such disclosure would apply.

35.4.5 Subject to Clauses 35.4.2 and 35.4.7, the Supplier may only disclose the Confidential Information of the Customer on a confidential basis to:

- (a) Supplier Personnel who are directly involved in the provision of the Services and need to know the Confidential Information to enable performance of the Supplier's obligations under this Call Off Contract; and
- (b) its professional advisers for the purposes of obtaining advice in relation to this Call Off Contract.

35.4.6 Where the Supplier discloses Confidential Information of the Customer pursuant to this Clause 35.4.5, it shall remain responsible at all times for compliance with the confidentiality obligations set out in this Call Off Contract by the persons to whom disclosure has been made.

35.4.7 The Customer may disclose the Confidential Information of the Supplier:

- (a) to any Central Government Body on the basis that the information may only be further disclosed to Central Government Bodies;
- (b) to the British Parliament and any committees of the British Parliament or if required by any British Parliamentary reporting requirement;
- (c) to the extent that the Customer (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
- (d) on a confidential basis to a professional adviser, consultant, supplier or other person engaged by any of the entities described in Clause 35.4.7(a) (including any benchmarking organisation) for any purpose relating to or connected with this Call Off Contract;
- (e) on a confidential basis for the purpose of the exercise of its rights under this Call Off Contract; or

- (f) to a proposed transferee, assignee or novatee of, or successor in title to the Customer,

and for the purposes of the foregoing, references to disclosure 35.4.5 on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Customer under this Clause 35.4.5.

35.4.8 Nothing in this Clause 35.4 shall prevent a Recipient from using any techniques, ideas or Know-How gained during the performance of this Call Off Contract in the course of its normal business to the extent that this use does not result in a disclosure of the Disclosing Party's Confidential Information or an infringement of Intellectual Property Rights.

35.4.9 In the event that the Supplier fails to comply with Clauses 35.4.2 to 35.4.5, the Customer reserves the right to terminate this Call Off Contract for material Default.

### 35.5 Transparency

35.5.1 The Parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA, the content of this Call Off Contract is not Confidential Information. The Customer shall determine whether any of the content of this Call Off Contract is exempt from disclosure in accordance with the provisions of the FOIA. The Customer may consult with the Supplier to inform its decision regarding any redactions but shall have the final decision in its absolute discretion.

35.5.2 Notwithstanding any other provision of this Call Off Contract, the Supplier hereby gives his consent for the Customer to publish this Call Off Contract in its entirety (but with any information which is exempt from disclosure in accordance with the provisions of the FOIA redacted), including any changes to this Call Off Contract agreed from time to time.

35.5.3 The Supplier shall assist and cooperate with the Customer to enable the Customer to publish this Call Off Contract.

### 35.6 Freedom of Information

35.6.1 The Supplier acknowledges that the Customer is subject to the requirements of the FOIA and the EIRs. The Supplier shall:

- (a) provide all necessary assistance and cooperation as reasonably requested by the Customer to enable the Customer to comply with its Information disclosure obligations under the FOIA and EIRs;
- (b) transfer to the Customer all Requests for Information relating to this Call Off Contract that it receives as soon as practicable and in any event within two (2) Working Days of receipt;
- (c) provide the Customer with a copy of all Information belonging to the Customer requested in the Request for Information which is in its possession or control in the form that the Customer requires within five (5) Working Days (or such other period as the Customer may reasonably specify) of the Customer's request for such Information; and
- (d) not respond directly to a Request for Information unless authorised in writing to do so by the Customer.

35.6.2 The Supplier acknowledges that the Customer may be required under the FOIA and EIRs to disclose Information (including Commercially Sensitive Information) without consulting or obtaining consent from the Supplier. The Customer shall take reasonable steps to notify the Supplier of a Request for Information (in accordance with the Secretary of State's Section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this Call Off Contract) the Customer shall be responsible for determining in its absolute discretion whether any Commercially Sensitive Information and/or any other information is exempt from disclosure in accordance with the FOIA and/or the EIRs.

### 35.7 Protection of Personal Data

35.7.1 Where any Personal Data are Processed in connection with the exercise of the Parties' rights and obligations under this Call Off Contract, the Parties acknowledge that the Customer is the Data Controller and that the Supplier is the Data Processor.

35.7.2 The Supplier shall:

- (a) Process the Personal Data only in accordance with instructions from the Customer to perform its obligations under this Call Off Contract;
- (b) ensure that at all times it has in place appropriate technical and organisational measures to guard against unauthorised or unlawful Processing of the Personal Data and/or accidental loss, destruction, or damage to the Personal Data, including the measures as are set out in Clauses 35.1 (Security Requirements) and 35.3 (Protection of Customer Data);
- (c) not disclose or transfer the Personal Data to any third party or Supplier Personnel unless necessary for the provision of the Services and, for any disclosure or transfer of Personal Data to any third party, obtain the prior written consent of the Customer (save where such disclosure or transfer is specifically authorised under this Call Off Contract)
- (d) take reasonable steps to ensure the reliability and integrity of any Supplier Personnel who have access to the Personal Data and ensure that the Supplier Personnel:
  - (i) are aware of and comply with the Supplier's duties under this Clause 35.7.2 and Clauses 35.1 (Security Requirements), 35.3 (Protection of Customer Data) and 35.4 (Confidentiality);
  - (ii) are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the Customer or as otherwise permitted by this Call Off Contract; and
  - (iii) have undergone adequate training in the use, care, protection and handling of personal data (as defined in the DPA);
- (e) notify the Customer within five (5) Working Days if it receives:

- (i) from a Data Subject (or third party on their behalf) a Data Subject Access Request (or purported Data Subject Access Request) a request to rectify, block or erase any Personal Data or any other request, complaint or communication relating to the Customer's obligations under the DPA;
  - (ii) any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data; or
  - (iii) a request from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law;
- (f) provide the Customer with full cooperation and assistance (within the timescales reasonably required by the Customer) in relation to any complaint, communication or request made (as referred to at Clause 35.7.2(e)), including by promptly providing:
- (i) the Customer with full details and copies of the complaint, communication or request;
  - (ii) where applicable, such assistance as is reasonably requested by the Customer to enable the Customer to comply with the Data Subject Access Request within the relevant timescales set out in the DPA; and
  - (iii) the Customer, on request by the Customer, with any Personal Data it holds in relation to a Data Subject; and
- (g) if requested by the Customer, provide a written description of the measures that has taken and technical and organisational security measures in place, for the purpose of compliance with its obligations pursuant to this Clause 35.7.2 and provide to the Customer copies of all documentation relevant to such compliance including, protocols, procedures, guidance, training and manuals.

35.7.3 The Supplier shall not Process or otherwise transfer any Personal Data in or to any country outside the European Economic Area or any country which is not determined to be adequate by the European Commission pursuant to Article 25(6) of Directive 95/46/EC (together "**Restricted Countries**"). If, after the Call Off Commencement Date, the Supplier or any Sub-Contractor wishes to Process and/or transfer any Personal Data in or to any outside the European Economic Area, the following provisions shall apply:

- (a) the Supplier shall propose a Variation to the Customer which, if it is agreed by the Customer, shall be dealt with in accordance with the Variation Procedure and Clauses 35.7.3(b) to 35.7.3(d);
- (b) the Supplier shall set out in its proposal to the Customer for a Variation details of the following:
  - (i) the Personal Data which will be transferred to and/or Processed in or to any Restricted Countries;
  - (ii) the Restricted Countries to which the Personal Data will be transferred and/or Processed; and

- (iii) any Sub-Contractors or other third parties who will be Processing and/or receiving Personal Data in Restricted Countries;
- (c) how the Supplier will ensure an adequate level of protection and adequate safeguards in respect of the Personal Data that will be Processed in and/or transferred to Restricted Countries so as to ensure the Customer's compliance with the DPA;
- (d) in providing and evaluating the Variation, the Parties shall ensure that they have regard to and comply with then-current Customer, Central Government Bodies and Information Commissioner Office policies, procedures, guidance and codes of practice on, and any approvals processes in connection with, the Processing in and/or transfers of Personal Data to any Restricted Countries; and
- (e) the Supplier shall comply with such other instructions and shall carry out such other actions as the Customer may notify in writing, including:
  - (i) incorporating standard and/or model clauses (which are approved by the European Commission as offering adequate safeguards under the DPA) into this Call Off Contract or a separate data processing agreement between the Parties; and
  - (ii) procuring that any Sub-Contractor or other third party who will be Processing and/or receiving or accessing the Personal Data in any Restricted Countries either enters into:
    - a direct data processing agreement with the Customer on such terms as may be required by the Customer; or
    - a data processing agreement with the Supplier on terms which are equivalent to those agreed between the Customer and the Sub-Contractor relating to the relevant Personal Data transfer, and
  - (iii) in each case which the Supplier acknowledges may include the incorporation of model contract provisions (which are approved by the European Commission as offering adequate safeguards under the DPA) and technical and organisation measures which the Customer deems necessary for the purpose of protecting Personal Data.

35.7.4 The Supplier shall use its reasonable endeavours to assist the Customer to comply with any obligations under the DPA and shall not perform its obligations under this Call Off Contract in such a way as to cause the Customer to breach any of the Customer's obligations under the DPA to the extent the Supplier is aware, or ought reasonably to have been aware, that the same would be a breach of such obligations.

## **36. PUBLICITY AND BRANDING**

36.1 The Supplier shall not:

36.1.1 make any press announcements or publicise this Call Off Contract in any way; or

36.1.2 use the Customer's name or brand in any promotion or marketing or announcement of orders,

without Approval (the decision of the Customer to Approve or not shall not be unreasonably withheld or delayed).

36.2 Each Party acknowledges to the other that nothing in this Call Off Contract either expressly or by implication constitutes an endorsement of any products or services of the other Party (including the Goods, Services, Equipment, the Supplier System and the Customer System) and each Party agrees not to conduct itself in such a way as to imply or express any such approval or endorsement.

## **I. LIABILITY AND INSURANCE**

### **37. LIABILITY**

#### **37.1 Unlimited Liability**

37.1.1 Neither Party excludes or limits its liability for:

- (a) death or personal injury caused by its negligence, or that of its employees, agents or Sub-Contractors (as applicable);
- (b) bribery or Fraud by it or its employees;
- (c) breach of any obligation as to title implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or
- (d) any liability to the extent it cannot be excluded or limited by Law.

37.1.2 The Supplier does not exclude or limit its liability in respect of the indemnity in Clause 34.9 (IPR Indemnity) and in each case whether before or after the making of a demand pursuant to the indemnity therein.

#### **37.2 Financial Limits**

37.2.1 Subject to Clause 37.1.1 (Unlimited Liability) and Clause 13 (Service Levels, KPIs and Service Credits), the Supplier's total aggregate liability

- (a) in respect of all:
  - (i) Service Credits; and
  - (ii) Compensation for Critical Service Level Failure;  
incurred in any rolling period of 12 Months shall be subject in aggregate to the Service Credit Cap calculated by reference to the same corresponding rolling period of 12 Months;
- (b) in respect of all other Losses incurred by the Customer and/or the Customer's Shared Estates under or in connection with this Call Off Contract as a result of Defaults by the Supplier shall in no event exceed:
  - (i) in relation to any Defaults occurring from the Call Off Commencement Date to the end of the first Service Contract Year, the higher of one million pounds (£1,000,000) and a sum equal to one hundred and fifty per cent (150%) of the Estimated Year 1 Call Off Contract Charges;
  - (ii) in relation to any Defaults occurring in each subsequent Service Contract Year that commences during the

remainder of the Call Off Initial Period, the higher of one million pounds (£1,000,000) in each such Service Contract Year and a sum equal to one hundred and fifty percent (150%) of the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the previous Service Contract Year; and

in relation to any Defaults occurring in each Service Contract Year that commences after the end of the Call Off Initial Period, the higher of one million pounds (£1,000,000) in each such Service Contract Year and a sum equal to one hundred and fifty percent (150%) of the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the last Service Contract Year commencing during the Call Off Initial Period

37.2.2 Subject to Clauses 37.1.1 (Unlimited Liability) and 37.2.1 (Financial Limits) and without prejudice to its obligation to pay the undisputed Call Off Contract Charges as and when they fall due for payment, the Customer's total aggregate liability in respect of all Losses as a result of Customer Causes shall be limited to:

- (a) in relation to any Customer Causes occurring from the Call Off Commencement Date to the end of the first Service Contract Year, a sum equal to the Estimated Year 1 Call Off Contract Charges;
- (b) in relation to any Customer Causes occurring in each subsequent Service Contract Year that commences during the remainder of the Call Off Initial Period, a sum equal to the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the previous Service Contract Year; and
- (c) in relation to any Customer Causes occurring in each Service Contract Year that commences after the end of the Call Off Initial Period, a sum equal to the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the last Service Contract Year commencing during the Call Off Initial Period.

### 37.3 Non-recoverable Losses

37.3.1 Subject to Clause 37.1.1 (Unlimited Liability) neither Party shall be liable to the other Party for any:

- (a) indirect, special or consequential Loss;
- (b) loss of profits, turnover, savings, business opportunities or damage to goodwill (in each case whether direct or indirect).

### 37.4 Recoverable Losses

37.4.1 Subject to Clause 37.2.1 (Financial Limits), and notwithstanding Clause 37.3.1 (Non-recoverable Losses), the Supplier acknowledges that the Customer may, amongst other things, recover from the Supplier the following Losses incurred by the Customer to the extent that they arise as a result of a Default by the Supplier:

- (a) any additional operational and/or administrative costs and expenses incurred by the Customer, including costs relating to

time spent by or on behalf of the Customer in dealing with the consequences of the Default;

- (b) any wasted expenditure or charges;
- (c) the additional cost of procuring Replacement Services for the remainder of the Call Off Contract Period and/or replacement Deliverables, which shall include any incremental costs associated with such Replacement Services and/or replacement Deliverables above those which would have been payable under this Call Off Contract;
- (d) any compensation or interest paid to a third party by the Customer; and
- (e) any fine, penalty or costs incurred by the Customer pursuant to Law.

### 37.5 Miscellaneous

37.5.1 Each Party shall use all reasonable endeavours to mitigate any loss or damage suffered arising out of or in connection with this Call Off Contract.

37.5.2 Any Deduction shall not be taken into consideration when calculating the Supplier's liability under Clause 37.2.1 (Financial Limits).

37.5.3 Subject to any rights of the Customer under this Call Off (including in respect of an IPR Claim), any claims by a third party where an indemnity is sought by that third party from a Party to this Call Off shall be dealt with in accordance with the provisions of Framework Schedule 20 (Conduct of Claims).

## 38. **INSURANCE**

38.1 Without limitation to the generality of Clause 38.2, the Supplier shall ensure that it maintains the policy or policies of insurance as are stipulated in the Order Form or elsewhere in this Call Off Contract.

38.2 Notwithstanding any benefit to the Customer of the policy or policies of insurance referred to in Clause 30 (Insurance) of the Framework Agreement, the Supplier shall effect and maintain such further policy or policies of insurance or extensions to such existing policy or policies of insurance procured under the Framework Agreement in respect of all risks which may be incurred by the Supplier arising out of its performance of its obligations under this Call Off Contract.

38.3 The Supplier shall effect and maintain the policy or policies of insurance referred to in Clauses 38.1 and 38.2 above for six (6) years after the Call Off Expiry Date.

38.4 The Supplier shall give the Customer, on request, copies of all insurance policies referred to in Clauses 38.1 and 38.2 or a broker's verification of insurance to demonstrate that the appropriate cover is in place, together with receipts or other evidence of payment of the latest premiums due under those policies.

38.5 If, for whatever reason, the Supplier fails to give effect to and maintain the insurance policies required under this Clause 38, the Customer may make alternative arrangements to protect its interests and may recover the premium and other costs of such arrangements as a debt due from the Supplier.

38.6 The provisions of any insurance or the amount of cover shall not relieve the Supplier of any liability under this Call Off Contract. It shall be the responsibility of the Supplier to determine the amount of insurance cover that will be adequate to

enable the Supplier to satisfy any liability in relation to the performance of its obligations under this Call Off Contract.

38.7 The Supplier shall ensure that nothing is done which would entitle the relevant insurer to cancel, rescind or suspend any insurance or cover, or to treat any insurance, cover or claim as voided in whole or part. The Supplier shall use all reasonable endeavours to notify the Customer (subject to third party confidentiality obligations) as soon as practicable when it becomes aware of any relevant fact, circumstance or matter which has caused, or is reasonably likely to provide grounds to, the relevant insurer to give notice to cancel, rescind, suspend or void any insurance, or any cover or claim under any insurance in whole or in part.

## **J. REMEDIES AND RELIEF**

### **39. CUSTOMER REMEDIES FOR DEFAULT**

#### **39.1 Remedies**

39.1.1 Without prejudice to any other right or remedy of the Customer howsoever arising (including under Call Off Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring) and subject to the exclusive financial remedy provisions in Clauses 13.5 (Service Levels, KPIs and Service Credits) and 6.4.1(b) (Delay Payments), if the Supplier commits any Default of this Call Off Contract then the Customer may (whether or not any part of the Services have been Delivered) do any of the following:

- (a) at the Customer's option, give the Supplier the opportunity (at the Supplier's expense) to remedy the Default together with any damage resulting from such Default (and where such Default is capable of remedy) or to supply replacement Services and carry out any other necessary work to ensure that the terms of this Call Off Contract are fulfilled, in accordance with the Customer's instructions;
- (b) carry out, at the Supplier's expense, any work necessary to make the provision of the Services comply with this Call Off Contract;
- (c) if the Default is a material Default that is capable of remedy (and for these purposes a material Default may be a single material Default or a number of Defaults or repeated Defaults - whether of the same or different obligations and regardless of whether such Defaults are remedied - which taken together constitute a material Default):
  - (i) instruct the Supplier to comply with the Rectification Plan Process;
  - (ii) suspend this Call Off Contract (whereupon the relevant provisions of Clause 45 (Partial Termination, Suspension and Partial Suspension) shall apply) and step-in to itself supply or procure a third party to supply (in whole or in part) the Services; and/or
  - (iii) without terminating or suspending the whole of this Call Off Contract, terminate or suspend this Call Off Contract in respect of part of the provision of the Services only (whereupon the relevant provisions of Clause 45 (Partial Termination, Suspension and Partial Suspension) shall

apply) and step-in to itself supply or procure a third party to supply (in whole or in part) such part of the Services.

39.1.2 Where the Customer exercises any of its step-in rights under Clauses 39.1.1(c)(ii) or 39.1.1(c)(iii), the Customer shall have the right to charge the Supplier for and the Supplier shall on demand pay any costs reasonably incurred by the Customer (including any reasonable administration costs) in respect of the supply of any part of the Services by the Customer or a third party and provided that the Customer uses its reasonable endeavours to mitigate any additional expenditure in obtaining Replacement Goods and/or replacement Services.

## 39.2 Rectification Plan Process

39.2.1 Where the Customer has instructed the Supplier to comply with the Rectification Plan Process pursuant to Clause 39.1.1(c)(i):

- (a) the Supplier shall submit a draft Rectification Plan to the Customer for it to review as soon as possible and in any event within the number of Working Days specified in the Order Form or elsewhere in this Call Off Contract (or such other period as may be agreed between the Parties) from the date of Customer's instructions. The Supplier shall submit a draft Rectification Plan even if the Supplier disputes that it is responsible for the Default giving rise to the Customer's request for a draft Rectification Plan.
- (b) the draft Rectification Plan shall set out:
  - (i) full details of the Default that has occurred, including a root cause analysis;
  - (ii) the actual or anticipated effect of the Default; and
  - (iii) the steps which the Supplier proposes to take to rectify the Default (if applicable) and to prevent such Default from recurring, including timescales for such steps and for the rectification of the Default (where applicable).

39.2.2 The Supplier shall promptly provide to the Customer any further documentation that the Customer requires to assess the Supplier's root cause analysis. If the Parties do not agree on the root cause set out in the draft Rectification Plan, either Party may refer the matter to be determined by an expert in accordance with paragraph 5 of Call Off Schedule 13 (Dispute Resolution Procedure).

39.2.3 The Customer may reject the draft Rectification Plan by notice to the Supplier if, acting reasonably, it considers that the draft Rectification Plan is inadequate, for example because the draft Rectification Plan:

- (a) is insufficiently detailed to be capable of proper evaluation;
- (b) will take too long to complete;
- (c) will not prevent reoccurrence of the Default; and/or
- (d) will rectify the Default but in a manner which is unacceptable to the Customer.

39.2.4 The Customer shall notify the Supplier whether it consents to the draft Rectification Plan as soon as reasonably practicable. If the Customer rejects the draft Rectification Plan, the Customer shall give reasons for its decision

and the Supplier shall take the reasons into account in the preparation of a revised Rectification Plan. The Supplier shall submit the revised draft of the Rectification Plan to the Customer for review within five (5) Working Days (or such other period as agreed between the Parties) of the Customer's notice rejecting the first draft. The Customer may reject the revised Rectification Plan under the same process and for the same reasons as set out in clause 39.2.3. If a Rectification Plan cannot be agreed between the Parties then either Party may refer the Dispute to the Dispute Resolution Procedure.

39.2.5 If the Customer consents to the Rectification Plan, the Supplier shall immediately start work on the actions set out in the Rectification Plan.

#### **40. SUPPLIER RELIEF DUE TO CUSTOMER CAUSE**

40.1 If the Supplier has failed to:

40.1.1 achieve a Milestone by its Milestone Date;

40.1.2 provide the Services in accordance with the Service Levels and KPIs;

40.1.3 comply with its obligations under this Call Off Contract;

(each a "Supplier Non-Performance"), and can demonstrate that the Supplier Non-Performance would not have occurred but for a Customer Cause, then (subject to the Supplier fulfilling its obligations in Clause 17 (Supplier Notification of Customer Cause)):

- (a) the Supplier shall not be treated as being in breach of this Call Off Contract to the extent the Supplier can demonstrate that the Supplier Non-Performance was caused by the Customer Cause;
- (b) the Customer shall not be entitled to exercise any rights that may arise as a result of that Supplier Non-Performance to terminate this Call Off Contract pursuant to Clause 42 (Customer Termination Rights) except Clause 42.7 (Termination Without Cause);
- (c) where the Supplier Non-Performance constitutes the failure to Achieve a Milestone by its Milestone Date:
  - (i) the Milestone Date shall be postponed by a period equal to the period of Delay that the Supplier can demonstrate was caused by the Customer Cause;
  - (ii) if the Customer, acting reasonably, considers it appropriate, the Implementation Plan shall be amended to reflect any consequential revisions required to subsequent Milestone Dates resulting from the Customer Cause; and/or
  - (iii) if failure to Achieve a Milestone attracts a Delay Payment, the Supplier shall have no liability to pay any such Delay Payment associated with the Milestone to the extent that the Supplier can demonstrate that such failure was caused by the Customer Cause;
- (d) where the Supplier Non-Performance constitutes a Service Level/KPI Failure:
  - (i) the Supplier shall not be liable to accrue Service Credits;

- (ii) the Customer shall not be entitled to any Compensation for Critical Service Level Failure pursuant to Clause 14 (Critical Service Level Failure);
- (iii) the Supplier shall be entitled to invoice for the Call Off Contract Charges for the provision of the relevant Services affected by the Customer Cause,  
in each case, to the extent that the Supplier can demonstrate that the Service Level/KPI Failure was caused by the Customer Cause.

40.2 In order to claim any of the rights and/or relief referred to in Clause 40.1, the Supplier shall:

40.2.1 comply with its obligations under Clause 17 (Notification of Customer Cause); and

40.2.2 within ten (10) Working Days of becoming aware that a Customer Cause has caused, or is likely to cause, a Supplier Non-Performance, give the Customer notice (a "**Relief Notice**") setting out details of:

- (a) the Supplier Non-Performance;
- (b) the Customer Cause and its effect on the Supplier's ability to meet its obligations under this Call Off Contract; and
- (c) the relief claimed by the Supplier.

40.3 Following the receipt of a Relief Notice, the Customer shall as soon as reasonably practicable consider the nature of the Supplier Non-Performance and the alleged Customer Cause and whether it agrees with the Supplier's assessment set out in the Relief Notice as to the effect of the relevant Customer Cause and its entitlement to relief, consulting with the Supplier where necessary.

40.4 Without prejudice to Clause 8.6 (Continuing obligation to provide the Services), if a Dispute arises as to:

40.4.1 whether a Supplier Non-Performance would not have occurred but for a Customer Cause; and/or

40.4.2 the nature and/or extent of the relief claimed by the Supplier,

either Party may refer the Dispute to the Dispute Resolution Procedure. Pending the resolution of the Dispute, both Parties shall continue to resolve the causes of, and mitigate the effects of, the Supplier Non-Performance.

40.5 Any Variation that is required to the Implementation Plan or to the Call Off Contract Charges pursuant to this Clause 40 shall be implemented in accordance with the Variation Procedure.

#### 41. **FORCE MAJEURE**

41.1 Subject to the remainder of this Clause 41 (and, in relation to the Supplier, subject to its compliance with its obligations in Clause 15 (Business Continuity and Disaster Recovery)), a Party may claim relief under this Clause 41 from liability for failure to meet its obligations under this Call Off Contract for as long as and only to the extent that the performance of those obligations is directly affected by a Force Majeure Event. Any failure or delay by the Supplier in performing its obligations under this Call Off Contract which results from a failure or delay by an agent, Sub-Contractor or supplier shall be regarded as

due to a Force Majeure Event only if that agent, Sub-Contractor or supplier is itself impeded by a Force Majeure Event from complying with an obligation to the Supplier.

41.2 The Affected Party shall as soon as reasonably practicable issue a Force Majeure Notice, which shall include details of the Force Majeure Event, its effect on the obligations of the Affected Party and any action the Affected Party proposes to take to mitigate its effect.

41.3 If the Supplier is the Affected Party, it shall not be entitled to claim relief under this Clause 41 to the extent that consequences of the relevant Force Majeure Event:

41.3.1 are capable of being mitigated by any of the provision of any Services including the BCDR Services, but the Supplier has failed to do so; and/or

41.3.2 should have been foreseen and prevented or avoided by a prudent provider of Services similar to the Services, operating to the standards required by this Call Off Contract.

41.4 Subject to Clause 41.5, as soon as practicable after the Affected Party issues the Force Majeure Notice, and at regular intervals thereafter, the Parties shall consult in good faith and use reasonable endeavours to agree any steps to be taken and an appropriate timetable in which those steps should be taken, to enable continued provision of the Services affected by the Force Majeure Event.

41.5 The Parties shall at all times following the occurrence of a Force Majeure Event and during its subsistence use their respective reasonable endeavours to prevent and mitigate the effects of the Force Majeure Event. Where the Supplier is the Affected Party, it shall take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.

41.6 Where, as a result of a Force Majeure Event:

41.6.1 an Affected Party fails to perform its obligations in accordance with this Call Off Contract, then during the continuance of the Force Majeure Event:

- (a) the other Party shall not be entitled to exercise any rights to terminate this Call Off Contract in whole or in part as a result of such failure unless the provision of the Services is materially impacted by a Force Majeure Event which endures for a continuous period of more than ninety (90) days; and
- (b) the Supplier shall not be liable for any Default and the Customer shall not be liable for any Customer Cause arising as a result of such failure;

41.6.2 the Supplier fails to perform its obligations in accordance with this Call Off Contract:

- (a) the Customer shall not be entitled:
  - (i) during the continuance of the Force Majeure Event to exercise its step-in rights under Clause 39.1.1(b) and 39.1.1(c) (Customer Remedies for Default) as a result of such failure;
  - (ii) to receive Delay Payments pursuant to Clause 6.4 (Delay Payments) to the extent that the Achievement of any Milestone is affected by the Force Majeure Event; and

- (iii) to receive Service Credits or withhold and retain any of the Call Off Contract Charges as Compensation for Critical Service Level Failure pursuant to Clause 14 (Critical Service Level Failure) to the extent that a Service Level/KPI Failure or Critical Service Level Failure has been caused by the Force Majeure Event; and
  - (b) the Supplier shall be entitled to receive payment of the Call Off Contract Charges (or a proportional payment of them) only to the extent that the Services (or part of the Services) continue to be provided in accordance with the terms of this Call Off Contract during the occurrence of the Force Majeure Event.
- 41.7 The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Call Off Contract.
- 41.8 Relief from liability for the Affected Party under this Clause 41 shall end as soon as the Force Majeure Event no longer causes the Affected Party to be unable to comply with its obligations under this Call Off Contract and shall not be dependent on the serving of notice under Clause 41.7.

**K. TERMINATION AND EXIT MANAGEMENT**

**42. CUSTOMER TERMINATION RIGHTS**

**42.1 Termination in Relation to Guarantee**

42.1.1 Where this Call Off Contract is conditional upon the Supplier has procured a Call Off Guarantee pursuant to Clause 4 (Call Off Guarantee), the Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier where:

- (a) the Call Off Guarantor withdraws the Call Off Guarantee for any reason whatsoever;
- (b) the Call Off Guarantor is in breach or anticipatory breach of the Call Off Guarantee;
- (c) an Insolvency Event occurs in respect of the Call Off Guarantor;
- (d) the Call Off Guarantee becomes invalid or unenforceable for any reason whatsoever,

and in each case the Call Off Guarantee (as applicable) is not replaced by an alternative guarantee agreement acceptable to the Customer or

- (e) the Supplier fails to provide the documentation required by Clause 4.1 by the date so specified by the Customer.

**42.2 Termination on Material Default**

42.2.1 The Customer may terminate this Call Off Contract for material Default by issuing a Termination Notice to the Supplier where:

- (a) the Supplier commits a Critical Service Level Failure;
- (b) the representation and warranty given by the Supplier pursuant to Clause 3.2.5 (Representations and Warranties) is materially untrue or misleading, and the Supplier fails to provide details of

proposed mitigating factors which in the reasonable opinion of the Customer are acceptable;

- (c) as a result of any Defaults, the Customer incurs Losses in any Contract Year which exceed 80% of the value of the Supplier's aggregate annual liability limit for that Contract Year as set out in Clauses 37.2.1(a) and 37.2.1(b) (Liability);
- (d) the Customer expressly reserves the right to terminate this Call Off Contract for material Default, including pursuant to any of the following Clauses: 6.2.3 (Implementation Plan), 8.3.2 (Services), 14.1 (Critical Service Level Failure), 16.4 (Disruption), 21.5 (Records, Audit Access and Open Book Data), 24 Promoting Tax Compliance, 35.4.9 (Confidentiality), 51.6.2 (Prevention of Fraud and Bribery), Paragraph 1.2.4 of the Annex to Part A and Paragraph 1.2.4 of the Annex to Part B of Call Off Schedule 11: Staff Transfer;
- (e) the Supplier commits any material Default of this Call Off Contract which is not, in the reasonable opinion of the Customer, capable of remedy; and/or
- (f) the Supplier commits a Default, including a material Default, which in the opinion of the Customer is remediable but has not remedied such Default to the satisfaction of the Customer in accordance with the Rectification Plan Process;

42.2.2 For the purpose of Clause 42.2.1, a material Default may be a single material Default or a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are remedied) which taken together constitute a material Default.

#### 42.3 Termination in Relation to Financial Standing

42.3.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier where in the reasonable opinion of the Customer there is a material detrimental change in the financial standing and/or the credit rating of the Supplier which:

- (a) adversely impacts on the Supplier's ability to supply the Services under this Call Off Contract; or
- (b) could reasonably be expected to have an adverse impact on the Suppliers ability to supply the Services under this Call Off Contract.

#### 42.4 Termination on Insolvency

42.4.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier where an Insolvency Event affecting the Supplier occurs.

#### 42.5 Termination on Change of Control

42.5.1 The Supplier shall notify the Customer immediately if the Supplier undergoes or is intending to undergo a Change of Control and provided this does not contravene any Law shall notify the Customer immediately in writing of any circumstances suggesting that a Change of Control is in contemplation, planned or has occurred. The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier within six (6) Months of:

- (a) being notified in writing that a Change of Control is in contemplation, planned or has occurred; or
- (b) where no notification has been made, the date that the Customer becomes aware that a Change of Control is in contemplation, planned or has occurred,

but shall not be permitted to terminate where an Approval was granted prior to the Change of Control.

#### 42.6 Termination for breach of Regulations

42.6.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier on the occurrence of any of the statutory provisos contained in Regulation 73 (1) (a) to (c).

#### 42.7 Termination Without Cause

42.7.1 The Customer shall have the right to terminate this Call Off Contract at any time by issuing a Termination Notice to the Supplier giving written notice of at least the number of days stipulated, for the purposes of this Clause 42.7.1, in the Order Form or elsewhere in this Call Off Contract.

#### 42.8 Termination in Relation to Framework Agreement

42.8.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier if the Framework Agreement is terminated for any reason whatsoever.

#### 42.9 Termination In Relation to Benchmarking

42.9.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier if the Supplier refuses or fails to comply with its obligations as set out in paragraphs 1 and 2 of Framework Schedule 12 (Continuous Improvement and Benchmarking).

#### 42.10 Termination in Relation to Variation

42.10.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier for failure of the Parties to agree or the Supplier to implement a Variation in accordance with the Variation Procedure.

### 43. SUPPLIER TERMINATION RIGHTS

#### 43.1 Termination on Customer Cause for Failure to Pay

43.1.1 The Supplier may, by issuing a Termination Notice to the Customer, terminate this Call Off Contract if the Customer fails to pay an undisputed sum due to the Supplier under this Call Off Contract which in aggregate exceeds the amount stipulated in the Order Form or elsewhere in this Call Off Contract for the purposes of this Clause 43.1.1 (the '**Undisputed Sums Limit**'), and the said undisputed sum due remains outstanding for forty (40) Working Days (the "**Undisputed Sums Time Period**") after the receipt by the Customer of a written notice of non-payment from the Supplier specifying:

- (a) the Customer's failure to pay; and
- (b) the correct overdue and undisputed sum; and
- (c) the reasons why the undisputed sum is due; and
- (d) the requirement on the Customer to remedy the failure to pay; and

this Call Off Contract shall then terminate on the date specified in the Termination Notice (which shall not be less than twenty (20) Working Days from the date of the issue of the Termination Notice), save that such right of termination shall not apply where the failure to pay is due to the Customer exercising its rights under this Call Off Contract including Clause 23.3 (Retention and Set off).

43.1.2 The Supplier shall not suspend the supply of the Services for failure of the Customer to pay undisputed sums of money (whether in whole or in part).

#### **44. TERMINATION BY EITHER PARTY**

##### **44.1 Termination for continuing Force Majeure Event**

44.1.1 Either Party may, by, by issuing a Termination Notice to the other Party terminate this Call Off Contract if, in accordance with Clause 41.6.1(a) (Force Majeure).

#### **45. PARTIAL TERMINATION, SUSPENSION AND PARTIAL SUSPENSION**

45.1 Where the Customer has the right to terminate this Call Off Contract, the Customer shall be entitled to terminate or suspend all or part of this Call Off Contract provided always that, if the Customer elects to terminate or suspend this Call Off Contract in part, the parts of this Call Off Contract not terminated or suspended can, in the Customer's reasonable opinion, operate effectively to deliver the intended purpose of the surviving parts of this Call Off Contract.

45.2 Any suspension of this Call Off Contract under Clause 45.1 shall be for such period as the Customer may specify and without prejudice to any right of termination which has already accrued, or subsequently accrues, to the Customer.

45.3 The Parties shall seek to agree the effect of any Variation necessitated by a partial termination, suspension or partial suspension in accordance with the Variation Procedure, including the effect that the partial termination, suspension or partial suspension may have on the provision of any other Services and the Call Off Contract Charges, provided that the Supplier shall not be entitled to:

45.3.1 an increase in the Call Off Contract Charges in respect of the provision of the Services that have not been terminated if the partial termination arises due to the exercise of any of the Customer's termination rights under Clause 42 (Customer Termination Rights) except Clause 42.7 (Termination Without Cause); and

45.3.2 reject the Variation.

#### **46. CONSEQUENCES OF EXPIRY OR TERMINATION**

46.1 Consequences of termination under Clauses 42.2 (Termination on Material Default), 42.3 (Termination in Relation to Financial Standing), 42.8 (Termination in Relation to Framework Agreement), 42.9 (Termination in Relation to Benchmarking) and 42.10 (Termination in Relation to Variation)

46.1.1 Where the Customer:

- (a) terminates (in whole or in part) this Call Off Contract under any of the Clauses referred to in Clause 46.1; and
- (b) then makes other arrangements for the supply of the Services,

the Customer may recover from the Supplier the cost reasonably incurred of making those other arrangements and any additional expenditure incurred by the Customer throughout the remainder of the Call Off Contract Period provided that Customer shall take all reasonable steps to mitigate such additional expenditure. No further payments shall be payable by the Customer to the Supplier until the Customer has established the final cost of making those other arrangements.

46.2 Consequences of termination under Clauses 42.7 (Termination without Cause) and 43.1 (Termination on Customer Cause for Failure to Pay)

46.2.1 Where:

- (a) the Customer terminates (in whole or in part) this Call Off Contract under Clause 42.7 (Termination without Cause); or
- (b) the Supplier terminates this Call Off Contract pursuant to Clause 43.1 (Termination on Customer Cause for Failure to Pay),

the Customer shall indemnify the Supplier against any reasonable and proven Losses which would otherwise represent an unavoidable loss by the Supplier and/or the Customer's Shared Estates by reason of the termination of this Call Off Contract, provided that the Supplier and/or the Customer's Shared Estates takes all reasonable steps to mitigate such Losses. The Supplier shall submit a fully itemised and costed list of such Losses, with supporting evidence including such further evidence as the Customer may require, reasonably and actually incurred by the Supplier as a result of termination under Clause 42.7 (Termination without Cause).

46.2.2 The Customer shall not be liable under Clause 46.2.1 to pay any sum which:

- (a) was claimable under insurance held by the Supplier, and the Supplier has failed to make a claim on its insurance, or has failed to make a claim in accordance with the procedural requirements of the insurance policy; or
- (b) when added to any sums paid or due to the Supplier under this Call Off Contract, exceeds the total sum that would have been payable to the Supplier if this Call Off Contract had not been terminated.

46.3 Consequences of termination under Clause 44.1 (Termination for Continuing Force Majeure Event)

46.3.1 The costs of termination incurred by the Parties shall lie where they fall if either Party terminates or partially terminates this Agreement for a continuing Force Majeure Event pursuant to Clause 44.1 (Termination for Continuing Force Majeure Event).

46.4 Consequences of Termination for Any Reason

46.4.1 Save as otherwise expressly provided in this Call Off Contract:

- (a) termination or expiry of this Call Off Contract shall be without prejudice to any rights, remedies or obligations accrued under this Call Off Contract prior to termination or expiration and nothing in this Call Off Contract shall prejudice the right of either

Party to recover any amount outstanding at the time of such termination or expiry; and

- (b) termination of this Call Off Contract shall not affect the continuing rights, remedies or obligations of the Customer or the Supplier under Clauses 21 (Records, Audit Access & Open Book Data), 34 (Intellectual Property Rights), 35.4 (Confidentiality), 35.6 (Freedom of Information) 35.7 (Protection of Personal Data), 37 (Liability), 46 (Consequences of Expiry or Termination), 52 (Severance), 54 (Entire Agreement), 55 (Third Party Rights) 57 (Dispute Resolution) and 58 (Governing Law and Jurisdiction), and the provisions of Call Off Schedule 1 (Definitions), Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing), Call Off Schedule 11 (Exit Management), Call Off Schedule 12 (Staff Transfer), Call Off Schedule 13 (Dispute Resolution Procedure) and, without limitation to the foregoing, any other provision of this Call Off Contract which expressly or by implication is to be performed or observed notwithstanding termination or expiry shall survive the Call Off Expiry Date.

#### 46.5 Exit management

46.5.1 The Parties shall comply with the exit management provisions set out in Call Off Schedule 11 (Exit Management).

### **L. MISCELLANEOUS AND GOVERNING LAW**

#### **47. COMPLIANCE**

##### 47.1 Health and Safety

47.1.1 The Supplier shall perform its obligations under this Call Off Contract (including those in relation to the Services) in accordance with:

- (a) all applicable Law regarding health and safety; and
- (b) the Customer's health and safety policy (as provided to the Supplier from time to time) whilst at the Customer Premises.

47.1.2 Each Party shall promptly notify the other of as soon as possible of any health and safety incidents or material health and safety hazards at the Customer Premises of which it becomes aware and which relate to or arise in connection with the performance of this Call Off Contract.

47.1.3 While on the Customer Premises, the Supplier shall comply with any health and safety measures implemented by the Customer in respect of Supplier Personnel and other persons working there and any instructions from the Customer on any necessary associated safety measures.

##### 47.2 Equality and Diversity

47.2.1 The Supplier shall:

- (a) perform its obligations under this Call Off Contract (including those in relation to provision of the Services) in accordance with:
  - (i) all applicable equality Law (whether in relation to race, sex, gender reassignment, religion or belief, disability, sexual orientation, pregnancy, maternity, age or otherwise); and

- (ii) any other requirements and instructions which the Customer reasonably imposes in connection with any equality obligations imposed on the Customer at any time under applicable equality Law;
- (b) take all necessary steps, and inform the Customer of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission or (any successor organisation).

#### 47.3 Official Secrets Act and Finance Act

47.3.1 The Supplier shall comply with the provisions of:

- (a) the Official Secrets Acts 1911 to 1989; and
- (b) section 182 of the Finance Act 1989.

#### 47.4 Environmental Requirements

47.4.1 The Supplier shall, when working on the Sites, perform its obligations under this Call Off Contract in accordance with the Environmental Policy of the Customer.

47.4.2 The Customer shall provide a copy of its written Environmental Policy (if any) to the Supplier upon the Supplier's written request.

### 48. ASSIGNMENT AND NOVATION

48.1 The Supplier shall not assign, novate, Sub-Contract or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Call Off Contract or any part of it without Approval.

48.2 The Customer may assign, novate or otherwise dispose of any or all of its rights, liabilities and obligations under this Call Off Contract or any part thereof to:

48.2.1 any other Contracting Authority; or

48.2.2 any other body established by the Crown or under statute in order substantially to perform any of the functions that had previously been performed by the Customer; or

48.2.3 any private sector body which substantially performs the functions of the Customer,

and the Supplier shall, at the Customer's request, enter into a novation agreement in such form as the Customer shall reasonably specify in order to enable the Customer to exercise its rights pursuant to this Clause 48.2.

48.3 A change in the legal status of the Customer such that it ceases to be a Contracting Authority shall not, subject to Clause 48.4 affect the validity of this Call Off Contract and this Call Off Contract shall be binding on any successor body to the Customer.

48.4 If the Customer assigns, novates or otherwise disposes of any of its rights, obligations or liabilities under this Call Off Contract to a body which is not a Contracting Authority or if a body which is not a Contracting Authority succeeds the Customer (both "Transferee" in the rest of this Clause) the right of termination of the Customer in Clause 42.4 (Termination on Insolvency) shall be available to the Supplier in the event of insolvency of the Transferee (as if the references to Supplier in Clause 42.4 (Termination on Insolvency) and to

Supplier or Framework Guarantor or Call Off Guarantor in the definition of Insolvency Event were references to the Transferee).

**49. WAIVER AND CUMULATIVE REMEDIES**

49.1 The rights and remedies under this Call Off Contract may be waived only by notice in accordance with Clause 56 (Notices) and in a manner that expressly states that a waiver is intended. A failure or delay by a Party in ascertaining or exercising a right or remedy provided under this Call Off Contract or by Law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of.

49.2 Unless otherwise provided in this Call Off Contract, rights and remedies under this Call Off Contract are cumulative and do not exclude any rights or remedies provided by Law, in equity or otherwise.

**50. RELATIONSHIP OF THE PARTIES**

50.1 Except as expressly provided otherwise in this Call Off Contract, nothing in this Call Off Contract, nor any actions taken by the Parties pursuant to this Call Off Contract, shall create a partnership, joint venture or relationship of employer and employee or principal and agent between the Parties, or authorise either Party to make representations or enter into any commitments for or on behalf of any other Party.

**51. PREVENTION OF FRAUD AND BRIBERY**

51.1 Save as notified by the Supplier to the Customer in a notification letter dated 18 May 2017 the Supplier represents and warrants that neither it, nor to the best of its knowledge any Supplier Personnel, have at any time prior to the Call Off Commencement Date:

51.1.1 committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or

51.1.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.

51.2 The Supplier shall not during the Call Off Contract Period:

51.2.1 commit a Prohibited Act; and/or

51.2.2 do or suffer anything to be done which would cause the Customer or any of the Customer's employees, consultants, contractors, sub-contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements.

51.3 The Supplier shall during the Call Off Contract Period:

51.3.1 establish, maintain and enforce, and require that its Sub-Contractors establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act;

51.3.2 keep appropriate records of its compliance with its obligations under Clause 51.3.1 and make such records available to the Customer on request;

51.3.3 if so required by the Customer, within twenty (20) Working Days of the Call Off Commencement Date, and annually thereafter, certify to the Customer in writing of the Supplier and all persons associated with it or its Sub-Contractors or other persons who are supplying the Services in connection with this Call Off Contract. The Supplier shall provide such supporting evidence of compliance as the Customer may reasonably request; and

51.3.4 have, maintain and where appropriate enforce an anti-bribery policy (which shall be disclosed to the Customer on request) to prevent it and any Supplier Personnel or any person acting on the Supplier's behalf from committing a Prohibited Act.

51.4 The Supplier shall immediately notify the Customer in writing if it becomes aware of any breach of Clause 51.1, or has reason to believe that it has or any of the Supplier Personnel have:

51.4.1 been subject to an investigation or prosecution which relates to an alleged Prohibited Act;

51.4.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or

51.4.3 received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this Call Off Contract or otherwise suspects that any person or Party directly or indirectly connected with this Call Off Contract has committed or attempted to commit a Prohibited Act.

51.5 If the Supplier makes a notification to the Customer pursuant to Clause 51.4, the Supplier shall respond promptly to the Customer's enquiries, co-operate with any investigation, and allow the Customer to audit any books, records and/or any other relevant documentation in accordance with Clause 21 (Records, Audit Access and Open Book Data).

51.6 If the Supplier breaches Clause 51.3, the Customer may by notice:

51.6.1 require the Supplier to remove from performance of this Call Off Contract any Supplier Personnel whose acts or omissions have caused the Supplier's breach; or

51.6.2 immediately terminate this Call Off Contract for material Default.

51.7 Any notice served by the Customer under Clause 51.4 shall specify the nature of the Prohibited Act, the identity of the Party who the Customer believes has committed the Prohibited Act and the action that the Customer has elected to take (including, where relevant, the date on which this Call Off Contract shall terminate).

## 52. SEVERANCE

52.1 If any provision of this Call Off Contract (or part of any provision) is held to be void or otherwise unenforceable by any court of competent jurisdiction, such provision (or part) shall to the extent necessary to ensure that the remaining provisions of this Call Off Contract are not void or unenforceable be deemed to be deleted and the validity and/or enforceability of the remaining provisions of this Call Off Contract shall not be affected.

52.2 In the event that any deemed deletion under Clause 52.1 is so fundamental as to prevent the accomplishment of the purpose of this Call Off Contract or materially alters the balance of risks and rewards in this Call Off Contract, either Party may give notice to the other Party requiring the Parties to commence good faith negotiations to amend this Call Off Contract so that, as amended, it is valid and enforceable, preserves the balance of risks and rewards in this Call Off Contract and, to the extent that is reasonably practicable, achieves the Parties' original commercial intention.

52.3 If the Parties are unable to resolve the Dispute arising under this Clause 52 within twenty (20) Working Days of the date of the notice given pursuant to Clause 52.2, this Call Off Contract shall automatically terminate with immediate effect. The costs of termination incurred by the Parties shall lie where they fall if this Call Off Contract is terminated pursuant to this Clause 52.

53. **FURTHER ASSURANCES**

53.1 Each Party undertakes at the request of the other, and at the cost of the requesting Party to do all acts and execute all documents which may be necessary to give effect to the meaning of this Call Off Contract.

54. **ENTIRE AGREEMENT**

54.1 This Call Off Contract and the documents referred to in it constitute the entire agreement between the Parties in respect of the matter and supersedes and extinguishes all prior negotiations, course of dealings or agreements made between the Parties in relation to its subject matter, whether written or oral.

54.2 Neither Party has been given, nor entered into this Call Off Contract in reliance on, any warranty, statement, promise or representation other than those expressly set out in this Call Off Contract.

54.3 Nothing in this Clause 54 shall exclude any liability in respect of misrepresentations made fraudulently.

55. **THIRD PARTY RIGHTS**

55.1 The provisions of paragraphs 2.1 and 2.6 of Part A, paragraphs 2.1, 2.6, 3.1 and 3.3 of Part B, paragraphs 2.1 and 2.3 of Part C and paragraphs 1.4, 2.3 and 2.8 of Part D of Call Off Schedule 12 (Staff Transfer) and the provisions of paragraph 9.9 of Schedule 11 (Exit Management) (together "**Third Party Provisions**") confer benefits on persons named in such provisions other than the Parties (each such person a "**Third Party Beneficiary**") and are intended to be enforceable by Third Parties Beneficiaries by virtue of the CRTPA.

55.2 Subject to Clause 55.1, a person who is not a Party to this Call Off Contract has no right under the CTRPA to enforce any term of this Call Off Contract but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

55.3 No Third Party Beneficiary may enforce, or take any step to enforce, any Third Party Provision without the prior written consent of the Customer, which may, if given, be given on and subject to such terms as the Customer may determine.

55.4 Any amendments or modifications to this Call Off Contract may be made, and any rights created under Clause 55.1 may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary.

**56. NOTICES**

56.1 Except as otherwise expressly provided within this Call Off Contract, any notices sent under this Call Off Contract must be in writing. For the purpose of this Clause 56, an e-mail is accepted as being "in writing".

56.2 Subject to Clause 56.3, the following table sets out the method by which notices may be served under this Call Off Contract and the respective deemed time and proof of service:

Manner of delivery	Deemed time of delivery	Proof of Service
Email (Subject to Clauses 56.3 and 56.4)	9.00am on the first Working Day after sending	Dispatched as a pdf attachment to an e-mail to the correct e-mail address without any error message
Personal delivery	On delivery, provided delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the next Working Day	Properly addressed and delivered as evidenced by signature of a delivery receipt
Royal Mail Signed For™ 1 <sup>st</sup> Class or other prepaid, next Working Day service providing proof of delivery	At the time recorded by the delivery service, provided that delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the same Working Day (if delivery before 9.00am) or on the next Working Day (if after 5.00pm)	Properly addressed prepaid and delivered as evidenced by signature of a delivery receipt

56.3 The following notices may only be served as an attachment to an email if the original notice is then sent to the recipient by personal delivery or Royal Mail Signed For™ 1<sup>st</sup> Class or other prepaid in the manner set out in the table in Clause 56.2:

56.3.1 any Termination Notice (Clause 42 (Customer Termination Rights)),

56.3.2 any notice in respect of:

- (a) partial termination, suspension or partial suspension (Clause 45 (Partial Termination, Suspension and Partial Suspension)),
- (b) waiver (Clause 49 (Waiver and Cumulative Remedies))
- (c) Default or Customer Cause; and

56.3.3 any Dispute Notice.

56.4 Failure to send any original notice by personal delivery or Royal Mail Signed For™ 1<sup>st</sup> Class delivery or other pre-paid delivery in accordance with Clause 56.3 shall invalidate the service of the related e-mail transmission. The deemed time of delivery of such notice shall be the deemed time of delivery of the

original notice sent by personal delivery or Royal Mail Signed For™ 1st Class delivery or other pre-paid delivery (as set out in the table in Clause 56.2) or, if earlier, the time of response or acknowledgement by the other Party to the email attaching the notice.

56.5 This Clause 56 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution (other than the service of a Dispute Notice under the Dispute Resolution Procedure).

56.6 For the purposes of this Clause 56, the address and email address of each Party shall be the address and email address set out in the Order Form.

**57. DISPUTE RESOLUTION**

57.1 The Parties shall resolve Disputes arising out of or in connection with this Call Off Contract in accordance with the Dispute Resolution Procedure.

57.2 The Supplier shall continue to provide the Services in accordance with the terms of this Call Off Contract until a Dispute has been resolved.

**58. GOVERNING LAW AND JURISDICTION**

58.1 This Call Off Contract and any issues, Disputes or claims (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.

58.2 Subject to Clause 57 (Dispute Resolution) and Call Off Schedule 13 (Dispute Resolution Procedure) (including the Customer's right to refer the Dispute to arbitration), the Parties agree that the courts of England and Wales shall have exclusive jurisdiction to settle any Dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Call Off Contract or its subject matter or formation.

**CALL OFF SCHEDULE 1: DEFINITIONS**

In accordance with Clause 1 (Definitions and Interpretations) of this Call Off Contract the following expressions shall have the following meanings:

<b>"Achieve"</b>	means in respect of a Test, to successfully pass such Test without any Test Issues in accordance with the Test Strategy Plan and in respect of a Milestone, the issue of a Satisfaction Certificate in respect of that Milestone and <b>"Achieved"</b> , <b>"Achieving"</b> and <b>"Achievement"</b> shall be construed accordingly;
<b>"Acquired Rights Directive"</b>	means the European Council Directive 77/187/EEC on the approximation of laws of European member states relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses, as amended or re-enacted from time to time;
<b>"Additional Clauses"</b>	means the additional Clauses in Call Off Schedule 15 (Alternative and/or Additional Clauses) and any other additional Clauses set out in the Order Form or elsewhere in this Call Off Contract;
<b>"Affected Party"</b>	means the party seeking to claim relief in respect of a Force Majeure;
<b>"Affiliates"</b>	means in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control of that body corporate from time to time;
<b>"Alternative Clauses"</b>	means the alternative Clauses in Call Off Schedule 15 (Alternative and/or Additional Clauses) and any other alternative Clauses set out in the Order Form or elsewhere in this Call Off Contract;
<b>"Approval"</b>	means the prior written consent of the Customer and <b>"Approve"</b> and <b>"Approved"</b> shall be construed accordingly;
<b>"Approved Sub-Licensee"</b>	means any of the following: a) a Central Government Body; b) any third party providing services to a Central Government Body; and/or c) any body (including any private sector body) which performs or carries on any of the functions and/or activities that previously had been performed and/or carried on by the Customer;
<b>"Auditor"</b>	means: a) the Customer's internal and external auditors; b) the Customer's statutory or regulatory auditors; c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the

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	<p>National Audit Office</p> <p>d) HM Treasury or the Cabinet Office</p> <p>e) any party formally appointed by the Customer to carry out audit or similar review functions; and</p> <p>f) successors or assigns of any of the above;</p>
"Authority"	means <b>THE MINISTER FOR THE CABINET OFFICE ("Cabinet Office")</b> as represented by Crown Commercial Service, a trading fund of the Cabinet Office, whose offices are located at 9th Floor, The Capital, Old Hall Street, Liverpool L3 9PP;
"BCDR Plan"	means the plan prepared pursuant to Call Off Schedule 10 (Business Continuity and Disaster Recovery), as may be amended from time to time;
"BCDR Services"	means the Business Continuity Services and the Disaster Recovery Services
"Breach of Security"	has the meaning given to it in Call Off Schedule 8
"Business Continuity Services"	has the meaning given to it in Call Off Schedule 10 (Business Continuity and Disaster Recovery);
"Call Off Commencement Date"	means the date of commencement of this Call Off Contract set out in paragraph 1.1 of the Order Form;
"Call Off Contract"	means this contract between the Customer and the Supplier (entered into pursuant to the provisions of the Framework Agreement) consisting of the Order Form and the Call Off Terms;
"Call Off Contract Charges"	means the prices (inclusive of any Milestone Payments and exclusive of any applicable VAT), payable to the Supplier by the Customer under this Call Off Contract, as set out in Annex 1 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing), for the full and proper performance by the Supplier of its obligations under this Call Off Contract less any Deductions;
"Call Off Contract Period"	means the term of this Call Off Contract from and including the Call Off Commencement Date up to and including the Call Off Expiry Date;
"Call Off Expiry Date"	<p>means:</p> <p>a) the end date of the Call Off Initial Period or any Call Off Extension Period; or</p> <p>b) if this Call Off Contract is terminated before the date specified in (a) above, the earlier date of termination of this Call Off Contract;</p>
"Call Off Extension Period"	means the extension term of this Call Off Contract from the end date of the Call Off Initial Period up to and including the end date of the extension period stated in the Order Form;

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<b>"Call Off Guarantee"</b>	means a deed of guarantee that may be required under this Call Off Contract in favour of the Customer in the form set out in Framework Schedule 13 (Guarantee) granted pursuant to Clause 4 (Call Off Guarantee);
<b>"Call Off Guarantor"</b>	means the person in the event that a Call Off Guarantee is required under this Call Off Contract acceptable to the Customer to give a Call Off Guarantee;
<b>"Call Off Initial Period"</b>	means the initial term of this Call Off Contract from the Call Off Commencement Date to the end date of the initial term stated in the Order Form;
<b>"Call Off Schedule"</b>	means a schedule to this Call Off Contract;
<b>"Call Off Terms"</b>	means these terms and conditions entered by the Parties (excluding the Order Form) in respect of the provision of the Services, together with the Call Off Schedules hereto;
<b>"Central Government Body"</b>	means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:  a) Government Department;  b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal);  c) Non-Ministerial Department; or  d) Executive Agency;
<b>"Change in Law"</b>	means any change in Law which impacts on the supply of the Services and performance of the Call Off Terms which comes into force after the Call Off Commencement Date;
<b>"Change of Control"</b>	means a change of control within the meaning of Section 450 of the Corporation Tax Act 2010;
<b>"Commercially Sensitive Information"</b>	means the Confidential information listed in the Order Form (if any) comprising of a commercially sensitive information relating to the Supplier, its IPR or its business or which the Supplier has indicated to the Customer that, if disclosed by the Customer, would cause the Supplier significant commercial disadvantage or material financial loss;
<b>"Comparable Supply"</b>	means the supply of Services to another customer of the Supplier that are the same or similar to the Services;
<b>"Compensation for Critical Service Level Failure"</b>	has the meaning given to it in Clause 14.1.2 (Critical Service Level Failure);
<b>"Confidential Information"</b>	means the Customer's Confidential Information and/or the Supplier's Confidential Information, as the context

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	specifies;
<b>"Continuous Improvement Plan"</b>	means a plan for improving the provision of the Services and/or reducing the Call Off Contract Charges produced by the Supplier pursuant to Framework Schedule 12 (Continuous Improvement and Benchmarking);
<b>"Contracting Authority"</b>	means the Authority, the Customer and any other bodies listed in paragraph VI.3 of the OJEU Notice;
<b>"Control"</b>	means control as defined in section 1124 and 450 Corporation Tax Act 2010 and "Controls" and "Controlled" shall be interpreted accordingly;
<b>"Conviction"</b>	means other than for minor road traffic offences, any previous or pending prosecutions, convictions, cautions and binding over orders (including any spent convictions as contemplated by section 1(1) of the Rehabilitation of Offenders Act 1974 by virtue of the exemptions specified in Part II of Schedule 1 of the Rehabilitation of Offenders Act 1974 (Exemptions) Order 1975 (SI 1975/1023) or any replacement or amendment to that Order, or being placed on a list kept pursuant to section 1 of the Protection of Children Act 1999 or being placed on a list kept pursuant to the Safeguarding Vulnerable Groups Act 2006;
<b>"Cost Model"</b>	means the cost model for this Call Off Contract in Annex 1 of Schedule 3;
<b>"Costs"</b>	<p>the following costs (without double recovery) to the extent that they are reasonably and properly incurred by the Supplier in providing the Services:</p> <ul style="list-style-type: none"> <li>a) the cost to the Supplier or the Key Sub-Contractor (as the context requires), calculated per Man Day, of engaging the Supplier Personnel, including: <ul style="list-style-type: none"> <li>i) base salary paid to the Supplier Personnel;</li> <li>ii) employer's national insurance contributions;</li> <li>iii) pension contributions;</li> <li>iv) car allowances;</li> <li>v) any other contractual employment benefits;</li> <li>vi) staff training;</li> <li>vii) work place accommodation;</li> <li>viii) work place IT equipment and tools reasonably necessary to provide the Services (but not including items included within limb (b) below); and</li> <li>ix) reasonable recruitment costs, as agreed with the Customer;</li> </ul> </li> <li>b) costs incurred in respect of those Supplier Assets which are detailed on the Registers and which would be treated as capital costs according to</li> </ul>

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	<p>generally accepted accounting principles within the UK, which shall include the cost to be charged in respect of Supplier Assets by the Supplier to the Customer or (to the extent that risk and title in any Supplier Asset is not held by the Supplier) any cost actually incurred by the Supplier in respect of those Supplier Assets;</p> <p>c) operational costs which are not included within (a) or (b) above, to the extent that such costs are necessary and properly incurred by the Supplier in the provision of the Services;</p> <p>but excluding:</p> <p>a) Overhead;</p> <p>b) financing or similar costs;</p> <p>c) maintenance and support costs to the extent that these relate to maintenance and/or support services provided beyond the Call Off Contract Period whether in relation to Supplier Assets or otherwise;</p> <p>d) taxation;</p> <p>e) fines and penalties;</p> <p>f) amounts payable under Clause 25 (Benchmarking); and</p> <p>g) non-cash items (including depreciation, amortisation, impairments and movements in provisions);</p>
<b>"Critical Service Level Failure"</b>	<p>means any instance of</p> <p>a) a fail of KPI CRIT M1 or</p> <p>b) a fail of KPI CRIT M2 or</p> <p>c) performance of less than 99% in respect of KPI CRIT M3 over a relevant reporting period</p> <p>as specified in Annex 1 to Part B of Call Off Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring;</p>
<b>"Crown"</b>	<p>means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales), including, but not limited to, government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;</p>
<b>"Crown Body"</b>	<p>means any department, office or executive agency of the Crown;</p>
<b>"CRTPA"</b>	<p>means the Contracts (Rights of Third Parties) Act 1999;</p>
<b>"Customer"</b>	<p>means the customer(s) identified in the Order Form;</p>

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<b>"Customer Assets"</b>	means the Customer's infrastructure, data, software, materials, assets, equipment or other property owned by and/or licensed or leased to the Customer and which is or may be used in connection with the provision of the Services;
<b>"Customer Background IPR"</b>	means: <ul style="list-style-type: none"> <li>a) IPRs owned by the Customer before the Call Off Commencement Date, including IPRs contained in any of the Customer's Know-How, documentation, processes and procedures;</li> <li>b) IPRs created by the Customer independently of this Call Off Contract; and/or</li> <li>c) Crown Copyright which is not available to the Supplier otherwise than under this Call Off Contract;</li> </ul> but excluding IPRs owned by the Customer subsisting in the Customer Software;
<b>"Customer Cause"</b>	means any breach of the obligations of the Customer or any other default, act, omission, negligence or statement of the Customer, of its employees, servants, agents in connection with or in relation to the subject-matter of this Call Off Contract and in respect of which the Customer is liable to the Supplier;
<b>"Customer Data"</b>	means: <ul style="list-style-type: none"> <li>a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, including any Customer's Confidential Information, and which: <ul style="list-style-type: none"> <li>i) are supplied to the Supplier by or on behalf of the Customer; or</li> <li>ii) the Supplier is required to generate, process, store or transmit pursuant to this Call Off Contract; or</li> </ul> </li> <li>b) any Personal Data for which the Customer is the Data Controller;</li> </ul>
<b>"Customer Premises"</b>	means premises owned, controlled or occupied by the Customer which are made available for use by the Supplier or its Sub-Contractors for provision of the Services (or any of them);
<b>"Customer Property"</b>	means the property, other than real property and IPR, including the Customer System issued or made available to the Supplier by the Customer in connection with this Call Off Contract;
<b>"Customer Representative"</b>	means the representative appointed by the Customer from time to time in relation to this Call Off Contract;
<b>"Customer"</b>	means the responsibilities of the Customer set out in the

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Directorate

<b>Responsibilities"</b>	Part B of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel) and any other responsibilities of the Customer in the Order Form or agreed in writing between the Parties from time to time in connection with this Call Off Contract;
<b>"Customer's Shared Estates"</b>	organisations forming part of the Customer's shared estates cluster details of which have been provided by the Customer to the Supplier;
<b>"Customer Software"</b>	means any software identified as such in the Order Form together with all other software which is not identified as such in the Order Form but which is owned by or licensed to the Customer and which is or will be used by the Supplier for the purposes of providing the Services;
<b>"Customer System"</b>	means the Customer's computing environment (consisting of hardware, software and/or telecommunications networks or equipment) used by the Customer or the Supplier in connection with this Call Off Contract which is owned by or licensed to the Customer by a third party and which interfaces with the Supplier System or which is necessary for the Customer to receive the Services;
<b>"Customer's Confidential Information"</b>	means: <ul style="list-style-type: none"> <li>a) all Personal Data and any information, however it is conveyed, that relates to the business, affairs, developments, property rights, trade secrets, Know-How and IPR of the Customer (including all Customer Background IPR and Project Specific IPR);</li> <li>b) any other information clearly designated as being confidential (whether or not it is marked "confidential") or which ought reasonably be considered confidential which comes (or has come) to the Customer's attention or into the Customer's possession in connection with this Call Off Contract; and</li> <li>c) information derived from any of the above;</li> </ul>
<b>"Data Controller"</b>	has the meaning given to it in the Data Protection Act 1998, as amended from time to time;
<b>"Data Processor"</b>	has the meaning given to it in the Data Protection Act 1998, as amended from time to time;
<b>"Data Protection Legislation" or "DPA"</b>	means the Data Protection Act 1998 and all applicable laws and regulations relating to processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner or relevant Government department in relation to such legislation;
<b>"Data Subject"</b>	has the meaning given to it in the Data Protection Act

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Directorate

	1998, as amended from time to time;
<b>"Data Subject Access Request"</b>	means a request made by a Data Subject in accordance with rights granted pursuant to the DPA to access his or her Personal Data;
<b>"Deductions"</b>	means all Service Credits, Delay Payments or any other deduction which the Customer is paid or is payable under this Call Off Contract;
<b>"Default"</b>	means any breach of the obligations of the Supplier (including but not limited to including abandonment of this Call Off Contract in breach of its terms) or any other default (including material Default), act, omission, negligence or statement of the Supplier, of its Sub-Contractors or any Supplier Personnel howsoever arising in connection with or in relation to the subject-matter of this Call Off Contract and in respect of which the Supplier is liable to the Customer;
<b>"Defect"</b>	means any of the following: <ul style="list-style-type: none"> <li>a) any error, damage or defect in the manufacturing of a Deliverable; or</li> <li>b) any error or failure of code within the Software which causes a Deliverable to malfunction or to produce unintelligible or incorrect results; or</li> <li>c) any failure of any Deliverable to provide the performance, features and functionality specified in the requirements of the Customer or the Documentation (including any adverse effect on response times) regardless of whether or not it prevents the relevant Deliverable from passing any Test required under this Call Off Contract; or</li> <li>d) any failure of any Deliverable to operate in conjunction with or interface with any other Deliverable in order to provide the performance, features and functionality specified in the requirements of the Customer or the Documentation (including any adverse effect on response times) regardless of whether or not it prevents the relevant Deliverable from passing any Test required under this Call Off Contract;</li> </ul>
<b>"Delay"</b>	means: <ul style="list-style-type: none"> <li>a) a delay in the Achievement of a Milestone by its Milestone Date; or</li> <li>b) a delay in the design, development, testing or implementation of a Deliverable by the relevant date set out in the Implementation Plan;</li> </ul>
<b>"Delay Payments"</b>	means the amounts payable by the Supplier to the Customer in respect of a delay in respect of a Milestone as specified in the Implementation Plan;

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Directorate

<b>"Delay Period Limit"</b>	shall be the number of days specified in Part A of Call Off Schedule 4: Implementation Plan, Customer Responsibilities and Key Personnel, for the purposes of 6.4.1(b)(ii);
<b>"Deliverable"</b>	means an item or feature in the supply of the Services delivered or to be delivered by the Supplier at or before a Milestone Date listed in the Implementation Plan (if any) or at any other stage during the performance of this Call Off Contract;
<b>"Delivery"</b>	means delivery in accordance with the terms of this Call Off Contract as confirmed by the issue by the Customer of a Satisfaction Certificate in respect of the relevant Milestone thereof (if any) or otherwise in accordance with this Call Off Contract and accepted by the Customer and <b>"Deliver"</b> and <b>"Delivered"</b> shall be construed accordingly;
<b>"Disaster"</b>	means the occurrence of one or more events which, either separately or cumulatively, mean that the Services, or a material part thereof will be unavailable (or could reasonably be anticipated to be unavailable for the period specified in the Order Form or elsewhere in the Call Off Contract (for the purposes of this definition the <b>"Disaster Period"</b> );
<b>"Disaster Recovery Services"</b>	means the services embodied in the processes and procedures for restoring the provision of Services following the occurrence of a Disaster, as detailed further in Call Off Schedule 10 (Business Continuity and Disaster Recovery);
<b>"Disclosing Party"</b>	has the meaning given to it in Clause 35.4.1 (Confidentiality);
<b>"Dispute"</b>	means any dispute, difference or question of interpretation arising out of or in connection with this Call Off Contract, including any dispute, difference or question of interpretation relating to the Services, failure to agree in accordance with the Variation Procedure or any matter where this Call Off Contract directs the Parties to resolve an issue by reference to the Dispute Resolution Procedure;
<b>"Dispute Notice"</b>	means a written notice served by one Party on the other stating that the Party serving the notice believes that there is a Dispute;
<b>"Dispute Resolution Procedure"</b>	means the dispute resolution procedure set out in Call Off Schedule 13 (Dispute Resolution Procedure);
<b>"Documentation"</b>	means all documentation as: <ul style="list-style-type: none"> <li>a) is required to be supplied by the Supplier to the Customer under this Call Off Contract;</li> <li>b) would reasonably be required by a competent third party capable of Good Industry Practice contracted</li> </ul>

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Commercial and Contract Management (CCM)  
Directorate

	<p>by the Customer to develop, configure, build, deploy, run, maintain, upgrade and test the individual systems that provide the Services;</p> <p>c) is required by the Supplier in order to provide the Services; and/or</p> <p>d) has been or shall be generated for the purpose of providing the Services;</p>
<b>"DOTAS"</b>	<p>means the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HMRC of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to national insurance contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868) made under section 132A of the Social Security Administration Act 1992;</p>
<b>"Due Diligence Information"</b>	<p>means any information supplied to the Supplier by or on behalf of the Customer prior to the Call Off Commencement Date;</p>
<b>"Emergency Maintenance"</b>	<p>means ad hoc and unplanned maintenance provided by the Supplier where:</p> <p>a) the Customer reasonably suspects that the ICT Environment or the Services, or any part of the ICT Environment or the Services, has or may have developed a fault, and notifies the Supplier of the same; or</p> <p>b) the Supplier reasonably suspects that the ICT Environment or the Services, or any part the ICT Environment or the Services, has or may have developed a fault;</p>
<b>"Employee Liabilities"</b>	<p>means all claims, actions, proceedings, orders, demands, complaints, investigations (save for any claims for personal injury which are covered by insurance) and any award, compensation, damages, tribunal awards, fine, loss, order, penalty, disbursement, payment made by way of settlement and costs, expenses and legal costs reasonably incurred in connection with a claim or investigation including in relation to the following:</p> <p>a) redundancy payments including contractual or enhanced redundancy costs, termination costs and notice payments;</p> <p>b) unfair, wrongful or constructive dismissal compensation;</p> <p>c) compensation for discrimination on grounds of sex, race, disability, age, religion or belief, gender</p>

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Directorate

	<p>reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation or claims for equal pay;</p> <p>d) compensation for less favourable treatment of part-time workers or fixed term employees;</p> <p>e) outstanding debts and unlawful deduction of wages including any PAYE and National Insurance Contributions in relation to payments made by the Customer or the Replacement Supplier to a Transferring Supplier Employee which would have been payable by the Supplier or the Sub-Contractor if such payment should have been made prior to the Service Transfer Date;</p> <p>f) claims whether in tort, contract or statute or otherwise;</p> <p>g) any investigation by the Equality and Human Rights Commission or other enforcement, regulatory or supervisory body and of implementing any requirements which may arise from such investigation;</p>
<b>"Employment Regulations"</b>	means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) as amended or replaced or any other Regulations implementing the Acquired Rights Directive;
<b>"Environmental Policy"</b>	means to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment, including any written environmental policy of the Customer;
<b>"Environmental Information Regulations or EIRs"</b>	means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations;
<b>Escrow Agreement</b>	means the Agreement between the Supplier and the Escrow provider, incorporating the terms and conditions in relation to the Contracting Authority's Escrowed Material.
<b>Escrowed Materials</b>	means the list of software listed in Schedule 9 – Supplier Software, Customer Software and Third Party Software (Escrowed Materials)
<b>"Estimated Year 1 Call Off Contract Charges"</b>	means the sum in pounds estimated by the Customer to be payable by it to the Supplier as the total aggregate Call Off Contract Charges from the Service Commencement Date until the end of the first Service Contract Year stipulated in the Order Form or elsewhere in this Call Off Contract.

<b>"Euro Compliant"</b>	<p>means that: (i) the introduction of the euro within any part(s) of the UK shall not affect the performance or functionality of any relevant items nor cause such items to malfunction, end abruptly, provide invalid results or adversely affect the Customer's business; (ii) all currency-reliant and currency-related functions (including all calculations concerning financial data) of any relevant items enable the introduction and operation of the euro; and (iii) in particular each and every relevant item shall, to the extent it performs or relies upon currency-related functions (including all calculations concerning financial data):</p> <ul style="list-style-type: none"> <li>a) be able to perform all such functions in any number of currencies and/or in Euros;</li> <li>b) during any transition phase applicable to the relevant part(s) of the UK, be able to deal with multiple currencies and, in relation to the euro and the national currency of the relevant part(s) of the UK, dual denominations;</li> <li>c) recognise accept, display and print all the euro currency symbols and alphanumeric codes which may be adopted by any government and other European Union body in relation to the euro;</li> <li>d) incorporate protocols for dealing with rounding and currency conversion;</li> <li>e) recognise data irrespective of the currency in which it is expressed (which includes the euro) and express any output data in the national currency of the relevant part(s) of the UK and/or the euro; and</li> <li>f) permit the input of data in euro and display an outcome in euro where such data, supporting the Customer's normal business practices, operates in euro and/or the national currency of the relevant part(s) of the UK;</li> </ul>
<b>"Expedited Dispute Timetable"</b>	means the timetable set out in paragraph 5 of Schedule 13 (Dispute Resolution Procedure);
<b>"FOIA"</b>	means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation;
<b>"Force Majeure"</b>	<p>means any event, occurrence, circumstance, matter or cause affecting the performance by either the Customer or the Supplier of its obligations arising from:</p> <ul style="list-style-type: none"> <li>a) acts, events, omissions, happenings or non-happenings beyond the reasonable control of the Affected Party which prevent or materially delay the Affected Party from performing its obligations under this Call Off Contract;</li> </ul>

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Commercial and Contract Management (CCM)  
Directorate

	<ul style="list-style-type: none"> <li>b) riots, civil commotion, war or armed conflict, acts of terrorism, nuclear, biological or chemical warfare;</li> <li>c) acts of the Crown, local government or Regulatory Bodies;</li> <li>d) fire, flood or any disaster; and</li> <li>e) an industrial dispute affecting a third party for which a substitute third party is not reasonably available but excluding: <ul style="list-style-type: none"> <li>i) any industrial dispute relating to the Supplier, the Supplier Personnel (including any subsets of them) or any other failure in the Supplier or the Sub-Contractor's supply chain; and</li> <li>ii) any event, occurrence, circumstance, matter or cause which is attributable to the wilful act, neglect or failure to take reasonable precautions against it by the Party concerned; and</li> <li>iii) any failure of delay caused by a lack of funds;</li> </ul> </li> </ul>
<b>"Force Majeure Notice"</b>	means a written notice served by the Affected Party on the other Party stating that the Affected Party believes that there is a Force Majeure Event;
<b>"Former Supplier"</b>	means a supplier supplying the Services to the Customer before the Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any sub-contractor of such supplier (or any sub-contractor of any such sub-contractor);
<b>"Framework Agreement"</b>	means the framework agreement between the Authority and the Supplier referred to in the Order Form;
<b>"Framework Commencement Date"</b>	means the date of commencement of the Framework Agreement as stated in the Call Off Schedule 1 (Definitions);
<b>"Framework Period"</b>	means the period from the Framework Commencement Date until the expiry or earlier termination of the Framework Agreement;
<b>"Framework Price(s)"</b>	means the price(s) applicable to the provision of the Services set out in Framework Schedule 3 (Framework Prices and Charging Structure);
<b>"Framework Schedule"</b>	means a schedule to the Framework Agreement;
<b>"Fraud"</b>	means any offence under any Laws creating offences in respect of fraudulent acts (including the Misrepresentation Act 1967) or at common law in respect of fraudulent acts including acts of forgery;
<b>"Call Off Procedure"</b>	means the award procedure described in paragraph 3 of Framework Schedule 5 (Call Off Procedure);

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Commercial and Contract Management (CCM)  
Directorate

<b>"General Anti-Abuse Rule"</b>	means (a) the legislation in Part 5 of the Finance Act 2013 and (b) any future legislation introduced into parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions;
<b>"General Change in Law"</b>	means a Change in Law where the change is of a general legislative nature (including taxation or duties of any sort affecting the Supplier) or which affects or relates to a Comparable Supply;
<b>"Good Industry Practice"</b>	means standards, practices, methods and procedures conforming to the Law and the exercise of the degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person or body engaged within the relevant industry or business sector;
<b>"Government"</b>	means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales), including government ministers and government departments and other bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;
<b>"Halifax Abuse Principle"</b>	means the principle explained in the CJEU Case C-255/02 Halifax and others;
<b>"HMRC"</b>	means Her Majesty's Revenue and Customs or any successor entity;
<b>"Holding Company"</b>	has the meaning given to it in section 1159 of the Companies Act 2006;
<b>"ICT Environment"</b>	means the Customer System and the Supplier System;
<b>"ICT Policy"</b>	means the Customer's ICT policy in force as at the Call Off Commencement Date (a copy of which has been supplied to the Supplier), as updated from time to time in accordance with the Variation Procedure;
<b>"Impact Assessment"</b>	has the meaning given to it in Clause 22.1.3 (Variation Procedure);
<b>"Implementation Plan"</b>	means the plan set out in paragraph 2.4 of the Order Form;
<b>"Information"</b>	has the meaning given to it under section 84 of the Freedom of Information Act 2000;
<b>"Insolvency Event"</b>	means, in respect of the Supplier or Framework Guarantor or Call Off Guarantor (as applicable):  a) a proposal is made for a voluntary arrangement within Part I of the Insolvency Act 1986 or of any other composition scheme or arrangement with, or assignment for the benefit of, its creditors; or  b) a shareholders' meeting is convened for the purpose of considering a resolution that it be

	<p>wound up or a resolution for its winding-up is passed (other than as part of, and exclusively for the purpose of, a bona fide reconstruction or amalgamation); or</p> <p>c) a petition is presented for its winding up (which is not dismissed within fourteen (14) Working Days of its service) or an application is made for the appointment of a provisional liquidator or a creditors' meeting is convened pursuant to section 98 of the Insolvency Act 1986; or</p> <p>d) a receiver, administrative receiver or similar officer is appointed over the whole or any part of its business or assets; or</p> <p>e) an application order is made either for the appointment of an administrator or for an administration order, an administrator is appointed, or notice of intention to appoint an administrator is given; or</p> <p>f) it is or becomes insolvent within the meaning of section 123 of the Insolvency Act 1986; or</p> <p>g) being a "small company" within the meaning of section 382(3) of the Companies Act 2006, a moratorium comes into force pursuant to Schedule A1 of the Insolvency Act 1986; or</p> <p>h) where the Supplier or Framework Guarantor or Call Off Guarantor is an individual or partnership, any event analogous to those listed in limbs (a) to (g) (inclusive) occurs in relation to that individual or partnership; or</p> <p>i) any event analogous to those listed in limbs (a) to (h) (inclusive) occurs under the law of any other jurisdiction;</p>
<b>"Intellectual Property Rights" or "IPR"</b>	<p>means</p> <p>a) copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions, semi-conductor topography rights, trade marks, rights in internet domain names and website addresses and other rights in trade or business names, designs, Know-How, trade secrets and other rights in Confidential Information;</p> <p>b) applications for registration, and the right to apply for registration, for any of the rights listed at (a) that are capable of being registered in any country or jurisdiction; and</p> <p>c) all other rights having equivalent or similar effect in any country or jurisdiction;</p>
<b>"IPR Claim"</b>	means any claim of infringement or alleged infringement

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Future FM Project

Commercial and Contract Management (CCM)  
Directorate

	(including the defence of such infringement or alleged infringement) of any IPR, used to provide the Services or as otherwise provided and/or licensed by the Supplier (or to which the Supplier has provided access) to the Customer in the fulfilment of its obligations under this Call Off Contract;
<b>"Key Performance Indicators" or "KPIs"</b>	means the performance measurements and targets in respect of the Supplier's performance of the Framework Agreement set out in Part B of Framework Schedule 2 (Services and Key Performance Indicators) and which are applied to this Call Off Contract in Part B of Schedule 6;
<b>"Key Personnel"</b>	means the individuals (if any) identified as such in Part C of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel) and for the avoidance of doubt not those listed as Significant Roles or Mobilisation Team;
<b>"Key Role(s) "</b>	has the meaning given to it in Clause 26.1 (Key Personnel);
<b>"Key Sub-Contract"</b>	means each Sub-Contract with a Key Sub-Contractor;
<b>"Key Sub-Contractor"</b>	means any Sub-Contractor: <ul style="list-style-type: none"> <li>a) listed in Framework Schedule 7 (Key Sub-Contractors);</li> <li>b) which, in the opinion of the Authority and the Customer, performs (or would perform if appointed) a critical role in the provision of all or any part of the Services; and/or</li> <li>c) with a Sub-Contract with a contract value which at the time of appointment exceeds (or would exceed if appointed) 10% of the aggregate Call Off Contract Charges forecast to be payable under this Call Off Contract;</li> </ul>
<b>"Know-How"</b>	means all ideas, concepts, schemes, information, knowledge, techniques, methodology, and anything else in the nature of know-how relating to the Services but excluding know-how already in the other Party's possession before the Call Off Commencement Date;
<b>"Law"</b>	means any law, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of Section 2 of the European Communities Act 1972, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements with which the Supplier is bound to comply;
<b>"Licensed Software"</b>	means all and any Software licensed by or through the Supplier, its Sub-Contractors or any third party to the Customer for the purposes of or pursuant to this Call Off

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Future FM Project

Commercial and Contract Management (CCM)  
Directorate

	Contract, including any Supplier Software, Third Party Software and/or any Specially Written Software;
<b>"Losses"</b>	means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and <b>"Loss"</b> shall be interpreted accordingly;
<b>"Maintenance Schedule"</b>	has the meaning given to it in Clause 33.1 (Maintenance of the ICT Environment);
<b>"Malicious Software"</b>	means any software program or code intended to destroy, interfere with, corrupt, or cause undesired effects on program files, data or other information, executable code or application software macros, whether or not its operation is immediate or delayed, and whether the malicious software is introduced wilfully, negligently or without knowledge of its existence;
<b>"Man Day"</b>	means 7.5 Man Hours, whether or not such hours are worked consecutively and whether or not they are worked on the same day;
<b>"Man Hours"</b>	means the hours spent by the Supplier Personnel properly working on the provision of the Services including time spent travelling (other than to and from the Supplier's offices, or to and from the Sites) but excluding lunch breaks;
<b>"Milestone"</b>	means an event or task described in the Implementation Plan which, if applicable, must be completed by the relevant Milestone Date;
<b>"Milestone Date"</b>	means the target date set out against the relevant Milestone in the Implementation Plan by which the Milestone must be Achieved;
<b>"Milestone Payment"</b>	means a payment identified in the Implementation Plan to be made following the issue of a Satisfaction Certificate in respect of Achievement of the relevant Milestone;
<b>"Month"</b>	means a calendar month and <b>"Monthly"</b> shall be interpreted accordingly;
<b>"New Release"</b>	means an item produced primarily to extend, alter or improve the Software and/or any Deliverable by providing additional functionality or performance enhancement (whether or not defects in the Software and/or Deliverable are also corrected) while still retaining the original designated purpose of that item;
<b>"Occasion of Tax Non Compliance"</b>	means: a) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 which is found on or after 1 April 2013 to be

	<p>incorrect as a result of:</p> <ul style="list-style-type: none"> <li>i) a Relevant Tax Authority successfully challenging the Supplier under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation in any jurisdiction that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle;</li> <li>ii) the failure of an avoidance scheme which the Supplier was involved in, and which was, or should have been, notified to a Relevant Tax Authority under DOTAS or any equivalent or similar regime in any jurisdiction; and/or</li> </ul> <p>b) any tax return of the Supplier's submitted to a Relevant Tax Authority on or after 1 October 2012 which gives rise, on or after 1 April 2013, to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Call Off Commencement Date or to a civil penalty for fraud or evasion;</p>
<b>"Open Book Data "</b>	<p>means complete and accurate financial and non-financial information which is sufficient to enable the Customer to verify the Call Off Contract Charges already paid or payable and Call Off Contract Charges forecast to be paid during the remainder of this Call Off Contract, including details and all assumptions relating to:</p> <ul style="list-style-type: none"> <li>a) the Supplier's Costs broken down against each Service and/or Deliverable, including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all hardware and software;</li> <li>b) operating expenditure relating to the provision of the Services including an analysis showing: <ul style="list-style-type: none"> <li>i) the unit costs and quantity of any consumables and bought-in services;</li> <li>ii) manpower resources broken down into the number and grade/role of all Supplier Personnel (free of any contingency) together with a list of agreed rates against each manpower grade;</li> <li>iii) a list of Costs underpinning those rates for each manpower grade, being the agreed rate less the Supplier's Profit Margin; and</li> </ul> </li> <li>c) Overheads;</li> <li>d) all interest, expenses and any other third party financing costs incurred in relation to the provision of the Services;</li> <li>e) the Supplier Profit achieved over the Call Off</li> </ul>

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Future FM Project

Commercial and Contract Management (CCM)  
Directorate

	<p>Contract Period and on an annual basis;</p> <p>f) confirmation that all methods of Cost apportionment and Overhead allocation are consistent with and not more onerous than such methods applied generally by the Supplier;</p> <p>g) an explanation of the type and value of risk and contingencies associated with the provision of the Services, including the amount of money attributed to each risk and/or contingency; and</p> <p>h) the actual Costs profile over the Call Off Contract Period and on an annual basis.</p>
<b>"Open Source Software"</b>	means computer software that has its source code made available subject to an open-source licence under which the owner of the copyright and other IPR in such software provides the rights to use, study, change and distribute the software to any and all persons and for any and all purposes free of charge;
<b>"Operating Environment"</b>	means the Customer System and the Sites;
<b>"Order"</b>	means the order for the provision of the Services placed by the Customer with the Supplier in accordance with the Framework Agreement and under the terms of this Call Off Contract;
<b>"Order Form"</b>	means the form, as completed and forming part of this Call Off Contract, which contains details of an Order, together with other information in relation to such Order, including without limitation the description of the Services to be supplied;
<b>"Other Supplier"</b>	means any supplier to the Customer (other than the Supplier) which is notified to the Supplier from time to time and/or of which the Supplier should have been aware;
<b>"Overhead"</b>	means those amounts which are intended to recover a proportion of the Supplier's or the Key Sub-Contractor's (as the context requires) indirect corporate costs (including financing, marketing, advertising, research and development and insurance costs and any fines or penalties) but excluding allowable indirect costs apportioned to facilities and administration in the provision of Supplier Personnel and accordingly included within limb (a) of the definition of "Costs";
<b>"Parent Company"</b>	means any company which is the ultimate Holding Company of the Supplier and which is either responsible directly or indirectly for the business activities of the Supplier or which is engaged by the same or similar business to the Supplier. The term "Holding or Parent Company" shall have the meaning ascribed by the Companies Act 2006 or any statutory re-enactment or

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Future FM Project

Commercial and Contract Management (CCM)  
Directorate

	amendment thereto;
<b>"Party"</b>	means the Customer or the Supplier and <b>"Parties"</b> shall mean both of them;
<b>"Performance Deduction"</b>	means a financial deduction calculated in accordance with Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring
<b>"Performance Monitoring Reports"</b>	has the meaning given to it in paragraph 1.1 of Part C of Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring;
<b>"Personal Data"</b>	has the meaning given to it in the Data Protection Act 1998;
<b>"Permitted Maintenance"</b>	has the meaning given to it in Clause 33.3 (Maintenance of the ICT Environment);
<b>"PQQ Response"</b>	means, where the Framework Agreement has been awarded under the Restricted Procedure, the response submitted by the Supplier to the Pre-Qualification Questionnaire issued by the Authority, and the expressions "Restricted Procedure" and "Pre-Qualification Questionnaire" shall have the meaning given to them in the Regulations;
<b>"Processing"</b>	has the meaning given to it in the Data Protection Legislation but, for the purposes of this Call Off Contract, it shall include both manual and automatic processing and <b>"Process"</b> and <b>"Processed"</b> shall be interpreted accordingly;
<b>"Prohibited Act"</b>	<p>means any of the following:</p> <ul style="list-style-type: none"> <li>a) to directly or indirectly offer, promise or give any person working for or engaged by the Customer and/or the Authority or other Contracting Authority or any other public body a financial or other advantage to: <ul style="list-style-type: none"> <li>i) induce that person to perform improperly a relevant function or activity; or</li> <li>ii) reward that person for improper performance of a relevant function or activity;</li> </ul> </li> <li>b) to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Agreement;</li> <li>c) committing any offence: <ul style="list-style-type: none"> <li>i) under the Bribery Act 2010 (or any legislation repealed or revoked by such Act)</li> <li>ii) under legislation or common law concerning fraudulent acts; or</li> <li>iii) defrauding, attempting to defraud or conspiring</li> </ul> </li> </ul>

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Commercial and Contract Management (CCM)  
Directorate

	to defraud the Customer; or iv) any activity, practice or conduct which would constitute one of the offences listed under (c) above if such activity, practice or conduct had been carried out in the UK;
<b>"Project Specific IPR"</b>	means: a) Intellectual Property Rights in items created by the Supplier (or by a third party on behalf of the Supplier) specifically for the purposes of this Call Off Contract and updates and amendments of these items including (but not limited to) database schema; and/or b) IPR in or arising as a result of the performance of the Supplier's obligations under this Call Off Contract and all updates and amendments to the same;  but shall not include the Supplier Background IPR or the Specially Written Software;
<b>"Quality Plans"</b>	shall have the meaning given in Clause 11.2 (Standards and Quality);
<b>"Recipient"</b>	has the meaning given to it in Clause 35.4.1 (Confidentiality);
<b>"Rectification Plan"</b>	means the rectification plan pursuant to the Rectification Plan Process;
<b>"Rectification Plan Process"</b>	means the process set out in Clause 39.2 (Rectification Plan Process);
<b>"Registers"</b>	has the meaning given to in Call Off Schedule 11 (Exit Management);
<b>"Regulations"</b>	means the Public Contracts Regulations 2015 and/or the Public Contracts (Scotland) Regulations 2012 (as the context requires) as amended from time to time;
<b>"Related Supplier"</b>	means any person who provides Services to the Customer which are related to the Services from time to time;
<b>"Relevant Conviction"</b>	means a Conviction that is relevant to the nature of the Services to be provided or as specified by the Customer in the Order Form or elsewhere in this Call Off Contract;
<b>"Relevant Requirements"</b>	means all applicable Law relating to bribery, corruption and fraud, including the Bribery Act 2010 and any guidance issued by the Secretary of State for Justice pursuant to section 9 of the Bribery Act 2010;
<b>"Relevant Tax Authority"</b>	means HMRC, or, if applicable, the tax authority in the jurisdiction in which the Supplier is established;
<b>"Relevant Transfer"</b>	means a transfer of employment to which the Employment Regulations applies;

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Directorate

<b>"Relevant Transfer Date"</b>	means, in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place;
<b>"Relief Notice"</b>	has the meaning given to it in Clause 40.2.2 (Supplier Relief Due to Customer Cause);
<b>"Replacement Services"</b>	means any services which are substantially similar to any of the Services and which the Customer receives in substitution for any of the Services following the Call Off Expiry Date, whether those services are provided by the Customer internally and/or by any third party;
<b>"Replacement Sub-Contractor"</b>	means a sub-contractor of the Replacement Supplier to whom Transferring Supplier Employees will transfer on a Service Transfer Date (or any sub-contractor of any such sub-contractor);
<b>"Replacement Supplier"</b>	means any third party provider of Replacement Services appointed by or at the direction of the Customer from time to time or where the Customer is providing Replacement Services for its own account, shall also include the Customer;
<b>"Request for Information"</b>	means a request for information or an apparent request relating to this Call Off Contract or the provision of the Services or an apparent request for such information under the FOIA or the EIRs;
<b>"Restricted Countries"</b>	has the meaning given to it in Clause 35.7.3 (Protection of Personal Data);
<b>"Satisfaction Certificate"</b>	means the certificate materially in the form of the document contained in Annex 3 to Call Off Schedule 5 (Testing) granted by the Customer when the Supplier has Achieved a Milestone or a Test;
<b>"Security Management Plan"</b>	means the Supplier's security management plan prepared pursuant to paragraph 4 of Call Off Schedule 8 (Security) a draft of which has been provided by the Supplier to the Customer in accordance with paragraph 4 of Call Off Schedule 8 (Security) and as updated from time to time;
<b>"Security Policy"</b>	means the Customer's security policy in force as at the Call Off Commencement Date (a copy of which has been supplied to the Supplier), as updated from time to time and notified to the Supplier;
<b>"Security Policy Framework"</b>	the HMG Security Policy Framework <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255910/HMG_Security_Policy_Framework_V11.0.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255910/HMG_Security_Policy_Framework_V11.0.pdf</a> ;
<b>"Service Contract Year"</b>	means a consecutive period of twelve (12) Months commencing on the Service Commencement Date and each anniversary thereof;
<b>"Service Credit Cap"</b>	means the aggregate of the Monthly Total Value at Risk (as defined in Schedule 6) for the relevant previous 12

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Directorate

	Month period
<b>"Service Credits"</b>	means any Performance Deductions specified in Call Off Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring being payable by the Supplier to the Customer in respect of any failure by the Supplier to meet one or more Service Levels or KPIs;
<b>"Service Failure"</b>	means an unplanned failure and interruption to the provision of the Services, reduction in the quality of the provision of the Services or event which could affect the provision of the Services in the future;
<b>"Service Level/KPI Failure"</b>	means a failure to meet the Service Level Performance Measure in respect of a Service Level Performance Criterion and/or a failure to meet a KPI which entitles the Customer to apply a deduction;
<b>"Service Level Performance Criteria"</b>	has the meaning given to Performance Criteria in Annex 1 of Part B of Call Off Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring and for the avoidance of doubt applies to KPIs;
<b>"Service Level Performance Measure"</b>	shall be as set out against the relevant Service Level Performance Criterion in Annex 1 of Part B of Call Off Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring and for the avoidance of doubt applies to KPIs;
<b>"Service Levels"</b>	means any service levels applicable to the provision of the Services under this Call Off Contract specified in Annex 2 to Part B of Call Off Schedule 6 - Payment Mechanism, KPI's, Service Levels and Performance Monitoring;
<b>"Service Period"</b>	means the term of this Call Off Contract from the Service Commencement Date until the Call Off Expiry Date;
<b>"Service Transfer"</b>	means any transfer of the Services (or any part of the Services), for whatever reason, from the Supplier or any Sub-Contractor to a Replacement Supplier or a Replacement Sub-Contractor;
<b>"Service Transfer Date"</b>	means the date of a Service Transfer;
<b>"Services"</b>	means the services to be provided by the Supplier to the Customer as referred to Annex A of Call Off Schedule 2 (Services);
<b>"Sites"</b>	means: <ul style="list-style-type: none"> <li>a) any premises (including the Customer Premises, the Supplier's premises or third party premises):               <ul style="list-style-type: none"> <li>i) from, to or at which:                   <ul style="list-style-type: none"> <li>(1) the Services are (or are to be) provided; or</li> <li>(2) the Supplier manages, organises or otherwise directs the provision or the use of</li> </ul> </li> </ul> </li> </ul>

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Directorate

	<p>the Services; or</p> <p>ii) where: any part of the Supplier System is situated; or</p> <p>b) any physical interface with the Customer System takes place;</p>
<b>"Software"</b>	means Specially Written Software, Supplier Software and Third Party Software;
<b>"Software Supporting Materials"</b>	has the meaning given to it in Clause 34.2.1(b) (Licences granted by the Supplier: Specially Written Software and Project Specific IPR);
<b>"Source Code"</b>	means computer programs and/or data in eye-readable form and in such form that it can be compiled or interpreted into equivalent binary code together with all related design comments, flow charts, technical information and documentation necessary for the use, reproduction, maintenance, modification and enhancement of such software;
<b>"Specially Written Software"</b>	means any software (including database software, linking instructions, test scripts, compilation instructions and test instructions) created by the Supplier (or by a Sub-Contractor or other third party on behalf of the Supplier) specifically for the purposes of this Call Off Contract, including any modifications or enhancements to Supplier Software or Third Party Software created specifically for the purposes of this Call Off Contract;
<b>"Specific Change in Law"</b>	means a Change in Law that relates specifically to the business of the Customer and which would not affect a Comparable Supply;
<b>"Staffing Information"</b>	has the meaning give to it in Call Off Schedule 12 (Staff Transfer);
<b>"Standards"</b>	<p>means any:</p> <p>a) standards published by BSI British Standards, the National Standards Body of the United Kingdom, the International Organisation for Standardisation or other reputable or equivalent bodies (and their successor bodies) that a skilled and experienced operator in the same type of industry or business sector as the Supplier would reasonably and ordinarily be expected to comply with;</p> <p>b) standards detailed in the specification in Framework Schedule 2 (Services and Key Performance Indicators);</p> <p>c) standards detailed by the Customer in Call Off Schedule 7 (Standards) or agreed between the Parties from time to time;</p> <p>d) relevant Government codes of practice and guidance applicable from time to time.</p>

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Directorate

<b>"Sub-Contract"</b>	means any contract or agreement or proposed contract or agreement between the Supplier and any third party whereby that third party agrees to provide to the Supplier the Services or any part thereof or facilities, services necessary for the provision of the Services or any part thereof or necessary for the management, direction or control of the provision of the Services or any part thereof;
<b>"Sub-Contractor"</b>	means any third party engaged by the Supplier, including any Key Sub-Contractor, from time to time under a Sub-Contract permitted pursuant to the Framework Agreement and this Call Off Contract or its servants or agents and any third party with whom that third party enters into a Sub-Contract or its servants or agents;
<b>"Supplier"</b>	means the person, firm or company with whom the Customer enters into this Call Off Contract as identified in the Order Form;
<b>"Supplier Assets"</b>	means all assets and rights used by the Supplier to provide the Services in accordance with this Call Off Contract but excluding the Customer Assets;
<b>"Supplier Background IPR"</b>	means <ul style="list-style-type: none"> <li>a) Intellectual Property Rights owned by the Supplier before the Call Off Commencement Date, for example those subsisting in the Supplier's standard development tools, program components or standard code used in computer programming or in physical or electronic media containing the Supplier's Know-How or generic business methodologies; and/or</li> <li>b) Intellectual Property Rights created by the Supplier independently of this Call Off Contract,</li> </ul> but excluding Intellectual Property Rights owned by the Supplier subsisting in the Supplier Software;
<b>"Supplier Personnel"</b>	means all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any Sub-Contractor engaged in the performance of the Supplier's obligations under this Call Off Contract;
<b>"Supplier Equipment"</b>	means the Supplier's hardware, computer and telecoms devices, equipment, plant, materials and such other items supplied and used by the Supplier (but not hired, leased or loaned from the Customer) in the performance of its obligations under this Call Off Contract;
<b>"Supplier Non-Performance"</b>	has the meaning given to it in Clause 40.1 (Supplier Relief Due to Customer Cause);
<b>"Supplier Profit"</b>	means, in relation to a period or a Milestone (as the context requires), the difference between the total Call Off Contract Charges (in nominal cash flow terms but excluding any Deductions) and total Costs (in nominal

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	cash flow terms) for the relevant period or in relation to the relevant Milestone;
<b>"Supplier Profit Margin"</b>	means, in relation to a period or a Milestone (as the context requires), the Supplier Profit for the relevant period or in relation to the relevant Milestone divided by the total Call Off Contract Charges over the same period or in relation to the relevant Milestone and expressed as a percentage;
<b>"Supplier Representative"</b>	means the representative appointed by the Supplier named in the Order Form;
<b>"Supplier Software"</b>	means any software which is proprietary to the Supplier (or an Affiliate of the Supplier) and identified as such in the Order Form together with all other such software which is not identified in the Order Form but which is or will be used by the Supplier or any Sub-Contractor for the purposes of providing the Services or is embedded in and in respect of such other software as required to be licensed in order for the Customer to receive the benefit of and/or make use of the Services;
<b>"Supplier System"</b>	means the information and communications technology system used by the Supplier in supplying the Services, including the Supplier Software, the Supplier Equipment, configuration and management utilities, calibration and testing tools and related cabling (but excluding the Customer System);
<b>"Supplier's Confidential Information"</b>	means <ul style="list-style-type: none"> <li>a) any information, however it is conveyed, that relates to the business, affairs, developments, IPR of the Supplier (including the Supplier Background IPR) trade secrets, Know-How, and/or personnel of the Supplier;</li> <li>b) any other information clearly designated as being confidential (whether or not it is marked as "confidential") or which ought reasonably to be considered to be confidential and which comes (or has come) to the Supplier's attention or into the Supplier's possession in connection with this Call Off Contract;</li> <li>c) information derived from any of the above.</li> </ul>
<b>"Template Call Off Terms"</b>	means the template terms and conditions in Annex 2 of Framework Schedule 4 (Template Order Form and Template Call Off Terms);
<b>"Template Order Form"</b>	means the template order form in Annex 1 of Framework Schedule 4 (Template Order Form and Template Call Off Terms);
<b>"Tender"</b>	means the tender submitted by the Supplier to the Authority and annexed to or referred to in Framework Schedule 21;

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Directorate

<b>"Test" and "Testing"</b>	means any tests required to be carried out pursuant to this Call Off Contract as set out in the Test Strategy Plan or elsewhere in this Call Off Contract and <b>"Tested"</b> shall be construed accordingly;
<b>"Test Issue"</b>	means any variance or non-conformity of the Services or Deliverables from their requirements as set out in this Call Off Contract;
<b>"Testing Strategy Plan"</b>	means a plan: <ul style="list-style-type: none"> <li>a) for the Testing of Deliverables; and</li> <li>b) setting out other agreed criteria related to the achievement of Milestones,</li> </ul> as described further in paragraph 6 of Call Off Schedule 5 (Testing);
<b>"Termination Notice"</b>	means a written notice of termination given by one Party to the other, notifying the Party receiving the notice of the intention of the Party giving the notice to terminate this Call Off Contract on a specified date and setting out the grounds for termination;
<b>"Third Party IPR"</b>	means Intellectual Property Rights owned by a third party but excluding Intellectual Property Rights owned by the third party subsisting in any Third Party Software;
<b>"Third Party Software"</b>	means any software identified as such in the Order Form together with all other software which is not listed in the Order Form which is proprietary to any third party (other than an Affiliate of the Supplier) or any Open Source Software which is or will be used by the Supplier for the purposes of providing the Services);
<b>"Transferring Supplier Employees"</b>	means those employees of the Supplier and/or the Supplier's Sub-Contractors to whom the Employment Regulations will apply on the Service Transfer Date.
<b>"Undelivered Services"</b>	has the meaning given to it in Clause 8.3.1 (Supply of Services);
<b>"Undisputed Sums Time Period"</b>	has the meaning given to it Clause 43.1.1 (Termination of Customer Cause for Failure to Pay);
<b>"Update"</b>	means in relation to any Software and/or any Deliverable means a version of such item which has been produced primarily to overcome Defects in, or to improve the operation of, that item;
<b>"Upgrade"</b>	means any patch, New Release or upgrade of Software and/or a Deliverable, including standard upgrades, product enhancements, and any modifications, but excluding any Update which the Supplier or a third party software supplier (or any Affiliate of the Supplier or any third party) releases during the Call Off Contract Period;
<b>"Valid Invoice"</b>	means an invoice issued by the Supplier to the Customer

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	that complies with the invoicing procedure in paragraph 6 (Invoicing Procedure) of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing);
<b>"Variation"</b>	has the meaning given to it in Clause 22.1 (Variation Procedure);
<b>"Variation Form"</b>	means the form set out in Call Off Schedule 14 (Variation Form);
<b>"Variation Procedure"</b>	means the procedure set out in Clause 22.1 (Variation Procedure);
<b>"VAT"</b>	means value added tax in accordance with the provisions of the Value Added Tax Act 1994;
<b>"Worker"</b>	means any one of the Supplier Personnel which the Customer, in its reasonable opinion, considers is an individual to which Procurement Policy Note 08/15 – Tax Arrangements of Public Appointees <a href="https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees">https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees</a> applies in respect of the Services.
<b>"Working Day"</b>	means any Day other than a Saturday or Sunday or public holiday in England and Wales.

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**CALL OFF SCHEDULE 2: SERVICES AND KEY PERFORMANCE INDICATORS**

**1. INTRODUCTION**

1.1 This Call Off Schedule specifies the:

1.1.1 Services to be provided under this Call Off Contract, in Annex 1;

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**ANNEX 1: THE SERVICES**

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**ANNEX 2: LOCATION/SITES OF DELIVERY**

**CALL OFF SCHEDULE 3: CALL OFF CONTRACT CHARGES, PAYMENT AND INVOICING****1. DEFINITIONS**

1.1 The following terms used in this Call Off Schedule shall have the following meaning:

<b>"Indexation"</b>	means the adjustment of an amount or sum in accordance with paragraph 10 of this Call Off Schedule;
<b>"Indexation Adjustment Date"</b>	has the meaning given to it in paragraph 10.1.1(a) of this Call Off Schedule;
<b>"Review Adjustment Date"</b>	has the meaning given to it in paragraph 9.1.2 of this Call Off Schedule;
<b>"CPI"</b>	means the <b>Consumer Prices Index (all items)</b> as published by the Office of National Statistics ( <a href="http://www.ons.gov.uk/ons/taxonomy/index.html?nscl=Consumer+Price+Indices#tab-sum-pub">http://www.ons.gov.uk/ons/taxonomy/index.html?nscl=Consumer+Price+Indices#tab-sum-pub</a> ) ; and
<b>"Supporting Documentation"</b>	means sufficient information in writing to enable the Customer to reasonably to assess whether the Call Off Contract Charges and other sums due from the Customer under this Call Off Contract detailed in the information are properly payable.

**2. GENERAL PROVISIONS**

2.1 This Call Off Schedule details:

- 2.1.1 the Call Off Contract Charges for the Services under this Call Off Contract;
- 2.1.2 the payment terms/profile for the Call Off Contract Charges;
- 2.1.3 the invoicing procedure; and
- 2.1.4 the procedure applicable to any adjustments of the Call Off Contract Charges.

**3. CALL OFF CONTRACT CHARGES**

3.1 The Call Off Contract Charges which are applicable to this Call Off Contract are set out in Annex 1 of this Call Off Schedule.

3.2 The Supplier acknowledges and agrees that:

3.2.1 In accordance with paragraph 2 (General Provisions) of Framework Schedule 3 (Framework Prices and Charging Structure), the Mobilisation Charges (as described in the Cost Model) and the Call Off Contract Charges in the 1st Service Contract Year can in no event exceed the Framework Prices set out in Annex 1 to Framework Schedule 3 (Framework Prices and Charging Structure); and

3.2.2 subject to paragraph 7 of this Call Off Schedule (Adjustment of Call Off Contract Charges), the Call Off Contract Charges cannot be increased during the Call Off Contract Period.

**4. COSTS AND EXPENSES**

4.1 The Call Off Contract Charges include all costs and expenses relating to the Services and/or the Supplier's performance of its obligations under this Call Off Contract and no further amounts shall be payable by the Customer to the Supplier in respect of such performance, including in respect of matters such as:

4.1.1 any incidental expenses that the Supplier incurs, including travel, subsistence and lodging, document or report reproduction, shipping, desktop or office equipment costs required by the Supplier Personnel, network or data interchange costs or other telecommunications charges;

4.1.2 any amount for any services provided; or

4.1.3 costs incurred by the Supplier prior to the Call Off Commencement Date.

**5. PAYMENT TERMS/PAYMENT PROFILE**

5.1 The payment terms/profile which are applicable to this Call Off Contract are set out in Annex 2 of this Call Off Schedule.

**6. INVOICING PROCEDURE**

6.1 The Customer shall pay all sums properly due and payable to the Supplier in cleared funds within thirty (30) days of receipt of a Valid Invoice, submitted to the address specified by the Customer in paragraph 6.5 of this Call Off Schedule and in accordance with the provisions of this Call Off Contract.

6.2 The Supplier shall ensure that each invoice (whether submitted electronically or in a paper form, as the Customer may specify):

6.2.1 contains:

(a) all appropriate references, including the unique Order reference number [to be advised]; and

(b) a detailed breakdown of the Delivered Services, including the Milestone(s) (if any) and Deliverable(s) within this Call Off Contract to which the Delivered Services relate, against the applicable due and payable Call Off Contract Charges; and

6.2.2 shows separately:

(a) any Service Credits due to the Customer; and

(b) the VAT added to the due and payable Call Off Contract Charges in accordance with Clause 23.2.1 of this Call Off Contract (VAT) and the tax point date relating to the rate of VAT shown; and

6.2.3 is exclusive of any Management Charge (and the Supplier shall not attempt to increase the Call Off Contract Charges or otherwise recover from the Customer as a surcharge the Management Charge levied on it by the Authority); and

6.2.4 it is supported by any other documentation reasonably required by the Customer to substantiate that the invoice is a Valid Invoice.

6.3 The Supplier shall accept the Government Procurement Card as a means of payment for the Services where such card is agreed with the Customer to be a suitable means of payment. The Supplier shall be solely liable to pay any

merchant fee levied for using the Government Procurement Card and shall not be entitled to recover this charge from the Customer.

6.4 All payments due by one Party to the other shall be made within thirty (30) days of receipt of a Valid Invoice unless otherwise specified in this Call Off Contract, in cleared funds, to such bank or building society account as the recipient Party may from time to time direct.

6.5 The Supplier shall submit invoices directly to:

Accounts Payable  
MoJ Shared Services Centre  
PO Box 746  
Newport  
Gwent  
NP20 9BB

## **7. ADJUSTMENT OF CALL OFF CONTRACT CHARGES**

7.1 The Call Off Contract Charges shall only be varied:

7.1.1 due to a Specific Change in Law in relation to which the Parties agree that a change is required to all or part of the Call Off Contract Charges in accordance with Clause 22.2 of this Call Off Contract (Legislative Change);

7.1.2 in accordance with Clause 23.1.4 of this Call Off Contract (Call Off Contract Charges and Payment) where all or part of the Call Off Contract Charges are reduced as a result of a reduction in the Framework Prices;

7.1.3 where all or part of the Call Off Contract Charges are reduced as a result of a review of the Call Off Contract Charges in accordance with Clause 18 of this Call Off Contract (Continuous Improvement);

7.1.4 where all or part of the Call Off Contract Charges are reduced as a result of a review of Call Off Contract Charges in accordance with Clause 25 of this Call Off Contract (Benchmarking);

7.1.5 where all or part of the Call Off Contract Charges are reviewed and reduced in accordance with paragraph 8 of this Call Off Schedule; or

7.1.6 where a review and increase of Call Off Contract Charges is requested by the Supplier and Approved, in accordance with the provisions of paragraph 9 of this Call Off Schedule; or

7.1.7 where Call Off Contract Charges or any component amounts or sums thereof are expressed in this Call Off Schedule as "subject to increase by way of Indexation", in accordance with the provisions in paragraph 10 of this Call Off Schedule.

7.2 Subject to paragraphs 7.1.1 to 7.1.5 of this Call Off Schedule, the Call Off Contract Charges will remain fixed for the first two (2) Contract Years.

## **8. SUPPLIER PERIODIC ASSESSMENT OF CALL OFF CONTRACT CHARGES**

8.1 Every six (6) Months during the Call Off Contract Period, the Supplier shall assess the level of the Call Off Contract Charges to consider whether it is able to reduce them.

8.2 Such assessments by the Supplier under paragraph 8 of this Call Off Schedule shall be carried out on half-yearly in each Contract Year (or in the event that such dates do not, in any Contract Year, fall on a Working Day, on the next Working Day following such dates). To the extent that the Supplier is able to decrease all or part of the Call Off Contract Charges it shall promptly notify the Customer in writing and such reduction shall be implemented in accordance with paragraph 7.1.5 of this Call Off Schedule above.

**9. SUPPLIER REQUEST FOR A CHANGE OF THE CALL OFF CONTRACT CHARGES**

9.1 The Supplier may request an increase in all or part of the Call Off Contract Charges in accordance with the remaining provisions of this paragraph 9 subject always to:

9.1.1 paragraph 3.2 of this Call Off Schedule;

9.1.2 the Supplier's request being submitted in writing at least three (3) Months before the effective date for the proposed increase in the relevant Call Off Contract Charges ("Review Adjustment Date") which shall be subject to paragraph 11.1.6 of this Call Off Schedule; and

9.1.3 the Approval of the Customer which shall be granted in the Customer's sole discretion.

9.2 To make a request for an increase of some or all of the Call Off Contract Charges, the Supplier shall provide the Customer with:

9.2.1 a list of the Call Off Contract Charges it wishes to review;

9.2.2 for each of the Call Off Contract Charges under review, written evidence of the justification for the requested change including:

- (a) a breakdown of the profit and cost components that comprise the relevant Call Off Contract Charge;
- (b) details of the movement in the different identified cost components of the relevant Call Off Contract Charge;
- (c) reasons for the movement in the different identified cost components of the relevant Call Off Contract Charge;
- (d) evidence that the Supplier has attempted to mitigate against any increase in the relevant cost components; and
- (e) evidence that the Supplier's profit component of the relevant Call Off Charge is no greater than that applying to Call Off Charges at Service Commencement Date.

**10. INDEXATION**

10.1 Where the Call Off Contract Charges or any component amounts or sums thereof are expressed in this Call Off Schedule as "subject to increase by way of Indexation" the following provisions shall apply:

10.1.1 the relevant adjustment shall:

- (a) be applied on the effective date of the increase in the relevant Call Off Contract Charges by way of Indexation ("Indexation Adjustment Date") which shall be subject to paragraph 10.1.2 of this Call Off Schedule;

- (b) be determined in accordance with the formula in paragraph 3.16 (Calculation of the Indexed Monthly Amount) of Schedule;
- (c) where the published CPI figure at the relevant Indexation Adjustment Date is stated to be a provisional figure or is subsequently amended, that figure shall apply as ultimately confirmed or amended unless the Customer and the Supplier shall agree otherwise;
- (d) if the CPI is no longer published, the Customer and the Supplier shall agree a fair and reasonable adjustment to that index or, if appropriate, shall agree a revised formula that in either event will have substantially the same effect as that specified in this Call Off Schedule.

10.1.2 The earliest Indexation Adjustment Date will be the (1st) Working Day following the first (1st) anniversary of the Service Commencement Date. Thereafter any subsequent increase by way of Indexation shall not occur before the anniversary of the previous Indexation Adjustment Date during the Call Off Contract Period;

10.1.3 Except as set out in this paragraph 10 of this Call Off Schedule, neither the Call Off Contract Charges nor any other costs, expenses, fees or charges shall be adjusted to take account of any inflation, change to exchange rate, change to interest rate or any other factor or element which might otherwise increase the cost to the Supplier or Sub-Contractors of the performance of their obligations under this Call Off Contract.

## **11. IMPLEMENTATION OF ADJUSTED CALL OFF CONTRACT CHARGES**

11.1 Variations in accordance with the provisions of this Call Off Schedule to all or part of the Call Off Contract Charges (as the case may be) shall be made by the Customer to take effect:

11.1.1 in accordance with Clause 22.2 of this Call Off Contract (Legislative Change) where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 7.1.1 of this Call Off Schedule;

11.1.2 in accordance with Clause 23.1.4 of this Call Off Contract (Call Off Contract Charges and Payment) where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 7.1.2 of this Call Off Schedule;

11.1.3 in accordance with Clause 18 of this Call Off Contract (Continuous Improvement) where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 7.1.3 of this Call Off Schedule;

11.1.4 in accordance with Clause 25 of this Call Off Contract (Benchmarking) where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 7.1.4 of this Call Off Schedule;

11.1.5 on 1 June for assessments made on 1 May and on 1 January for assessments made on 1 December where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 7.1.5 of this Call Off Schedule;

11.1.6 on the Review Adjustment Date where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 7.1.7 of this Call Off Schedule; or

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11.1.7 on the Indexation Adjustment Date where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 7.1.7 of this Call Off Schedule;

and the Parties shall amend the Call Off Contract Charges shown in Annex 1 to this Call Off Schedule to reflect such variations.

## ANNEX 1: CALL OFF CONTRACT CHARGES

### 1. MILESTONE PAYMENTS

1.1 Each Milestone Payment is payable as follows:

1.1.1 75% of the relevant Milestone Payment is payable on achievement of the relevant Milestone;

1.1.2 10% of the relevant Milestone Payment is payable on achievement of all Milestones;

1.1.3 15% of the relevant Milestone Payment is payable on remediation of all Test Issues listed in all conditional Test Certificates issued pursuant to paragraph 13.1 of Schedule 5.

### 2 CALL OFF CONTRACT CHARGES

2.1 Call off Contract Charges are as follows:

**REDACTED**

2.2 The Call Off Contract Charges must be consistent with the provisions of Framework Schedule 3 (Framework Prices and Charging Structure) and this Call Off Schedule 3.

2.3 The Call Off Contract Charges are subject to increase by way of Indexation pursuant to Schedule 3 and Schedule 6 of this Call Off Contract.

**ANNEX 2: PAYMENT TERMS/PROFILE**

**1. MOBILISATION**

1.1 Mobilisation payments will be paid in accordance with the Implementation Plan and paragraph 1.1 of Annex 1 of this Call Off Schedule 3.

**2. MONTHLY PAYMENTS**

2.1 Following Service Commencement monthly payments will be paid in accordance with Call Off Schedule 6 and the Call Off Contract Charges set out in the Cost Model.

**CALL OFF SCHEDULE 4: IMPLEMENTATION PLAN, CUSTOMER RESPONSIBILITIES  
AND KEY PERSONNEL**

**1. INTRODUCTION**

1.1 This Call Off Schedule specifies:

1.1.1 In Part A, the Implementation Plan in accordance with which the Supplier shall provide the Services;

1.1.2 In Part B, the Customer Responsibilities in respect of facilitating the Supplier's achievement of the Implementation Plan; and

1.1.3 In Part C, The Key Personnel and their Key Roles assigned by the Supplier to this Call Off Contract in accordance with Clause 26.1 of this Call Off Contract (Key Personnel).

## PART A: IMPLEMENTATION PLAN

### 1. GENERAL

The Supplier has prepared a draft Implementation Plan for the Customer but pursuant to Milestone 1 as described in the table below in this Part A, the Supplier shall prepare and deliver a draft Implementation Plan to the Customer for the Customer's approval in accordance with Schedule 5 and all Milestones as described in the table below in this Part A shall be achieved in accordance with the Implementation Plan and Schedule 5 and Milestone payments paid in accordance with Annex 1 of Schedule 3.

**REDACTED**

**PART B: CUSTOMER RESPONSIBILITIES**

**2. GENERAL**

- 2.1 The Customer Responsibilities associated with the Milestones identified in the Implementation Plan are set out in the Mobilisation Plan as per paragraph 1.2 above.

**PART C: KEY PERSONNEL****1. GENERAL**

1.1 The Supplier has assigned the following Key Personnel to this Call Off Contract in the Key Roles detailed below:

Role/Job Title	Name	
Managing Director	REDACTED	Key Personnel
National Operations Director	REDACTED	Key Personnel
MoJ Account Director	REDACTED	Key Personnel
Estates Technical Manager	REDACTED	Key Personnel
Senior Customer Service Experience Manager	REDACTED	Key Personnel
Senior FM Supply Chain Relationship Manager	REDACTED	Key Personnel
National Integrated Service Centre Manager	REDACTED	Significant Personnel
Commercial Manager	REDACTED	Significant Personnel
Project Controls & Risk Manager	REDACTED	Significant Personnel
Finance Manager	REDACTED	Significant Personnel
IM/IT Manager	REDACTED	Significant Personnel
Quality Manager	REDACTED	Significant Personnel
Human Resources Manager	REDACTED	Significant Personnel
Programme Manager	REDACTED	Mobilisation Team
Systems Lead	REDACTED	Mobilisation Team
Test Manager	REDACTED	Mobilisation Team
Data Lead	REDACTED	Mobilisation Team



**CALL OFF SCHEDULE 5: TESTING****1. DEFINITIONS**

1.1 In this Schedule, the following definitions shall apply:

<b>"Component"</b>	means any constituent parts of the Services, bespoke or COTS, hardware or software;
<b>"COTS"</b>	means commercially available off the shelf software, being software that is commonly used and is provided in a standard form and on standard licence terms which are not typically negotiated by the licensor;
<b>"Material Test Issue"</b>	means a Test Issue of Severity Level 1 or Severity Level 2;
<b>"Severity Level"</b>	means the level of severity of a Test Issue, the criteria for which are described in Annex 1;
<b>"Test Certificate"</b>	means a certificate materially in the form of the document contained in Annex 2 issued by the Customer when a Deliverable has satisfied its relevant Test Success Criteria;
<b>"Test Issue Threshold"</b>	means, in relation to the Tests applicable to a Milestone, a maximum number of Severity Level 3, Severity Level 4 and Severity Level 5 Test Issues as set out in the relevant Testing Strategy Plan ;
<b>"Test Issue Management Log"</b>	means a log for the recording of Test Issues as described further in paragraph 10.1 of this Call Off Schedule;
<b>"Test Reports"</b>	means the reports to be produced by the Supplier setting out the results of Tests;
<b>"Test Specification"</b>	means the specification that sets out how Tests will demonstrate that the Test Success Criteria have been satisfied, as described in more detail in paragraph 7 of this Call Off Schedule;
<b>"Test Strategy"</b>	means a strategy for the conduct of Testing as described further in paragraph 5 of this Call Off Schedule;
<b>"Test Success Criteria"</b>	means, in relation to a Test, the test success criteria for that Test as referred to in paragraph 7 of this Call Off Schedule;
<b>"Test Witness"</b>	means any person appointed by the Customer pursuant to paragraph 11 of this Call Off Schedule; and
<b>"Testing Procedures"</b>	means the applicable testing procedures and Test Success Criteria set out in this Schedule .

**2. INTRODUCTION**

2.1 This Call Off Schedule (Testing) sets out the approach to Testing and the different Testing activities to be undertaken, including the preparation and agreement of the Test Strategy and Testing Strategy Plans.

**3. RISK**

3.1 The issue of a Test Certificate, a Satisfaction Certificate and/or a conditional Satisfaction Certificate shall not:

3.1.1 operate to transfer any risk that the relevant Deliverable or Milestone is complete or will meet and/or satisfy the Customer's requirements for that Deliverable or Milestone; or

3.1.2 affect the Customer's right subsequently to reject:

(a) all or any element of the Deliverables to which a Test Certificate relates; or

(b) any Milestone to which the Satisfaction Certificate relates.

3.2 Notwithstanding the issuing of any Satisfaction Certificate, the Supplier shall remain solely responsible for ensuring that:

3.2.1 the Services are implemented in accordance with this Call Off Contract; and

3.2.2 each Service Level is met.

**4. TESTING OVERVIEW**

4.1 All Tests conducted by the Supplier shall be conducted in accordance with the Test Strategy, Test Specification and the Testing Strategy Plans.

4.2 The Supplier shall not submit any Deliverable for Testing:

4.2.1 unless the Supplier is reasonably confident that it will satisfy the relevant Test Success Criteria;

4.2.2 until the Customer has issued a Test Certificate in respect of any prior, dependant Deliverable(s); and

4.2.3 until the Parties have agreed the Testing Strategy Plan and the Test Specification relating to the relevant Deliverable(s).

4.3 The Supplier shall use reasonable endeavours to submit each Deliverable for Testing or re-Testing by or before the date set out in the Implementation Plan for the commencement of Testing in respect of the relevant Deliverable.

4.4 Prior to the issue of a Test Certificate, the Customer shall be entitled to review the relevant Test Reports and the Test Issue Management Log.

4.5 Any Disputes between the Supplier and the Customer regarding this Testing shall be referred to the Dispute Resolution Procedure.

**5. TEST STRATEGY**

5.1 The Supplier shall develop the final Test Strategy as soon as practicable after the Call Off Commencement Date but in any case no later than twenty (20) Working Days (or such other period as the Parties may agree) after the Call Off Commencement Date.

5.2 The final Test Strategy shall include:

5.2.1 an overview of how Testing will be conducted in accordance with the Implementation Plan;

5.2.2 the process to be used to capture and record Test results and the categorisation of Test Issues;

- 5.2.3 the procedure to be followed if a Deliverable fails to satisfy the Test Success Criteria or produces unexpected results, including a procedure for the resolution of Test Issues;
- 5.2.4 the procedure to be followed to sign off each Test;
- 5.2.5 the process for the production and maintenance of Test Reports, including templates for the Test Reports and the Test Issue Management Log, and a sample plan for the resolution of Test Issues
- 5.2.6 the names and contact details of the Customer's and the Supplier's Test representatives;
- 5.2.7 a high level identification of the resources required for Testing, including facilities, infrastructure, personnel and Customer and/or third party involvement in the conduct of the Tests;
- 5.2.8 the technical environments required to support the Tests; and
- 5.2.9 the procedure for managing the configuration of the Test environments.

## **6. TESTING STRATEGY PLANS**

6.1 The Supplier shall develop Testing Strategy Plans and submit these for Approval as soon as practicable but in any case no later than twenty (20) Working Days (or such other period as the Parties may agree in the Test Strategy or otherwise) prior to the start date for the relevant Testing as specified in the Implementation Plan.

6.2 Each Testing Strategy Plan shall include as a minimum:

- 6.2.1 the relevant Test definition and the purpose of the Test, the Milestone to which it relates, the requirements being Tested and, for each Test, the specific Test Success Criteria to be satisfied;
- 6.2.2 a detailed procedure for the Tests to be carried out, including:
  - (a) the relevant Test Issue Thresholds;
  - (b) the timetable for the Tests including start and end dates;
  - (c) the Testing mechanism;
  - (d) dates and methods by which the Customer can inspect Test results or witness the Tests in order to establish that the Test Success Criteria have been met;
  - (e) the mechanism for ensuring the quality, completeness and relevance of the Tests;
  - (f) the format and an example of Test progress reports and the process with which the Customer accesses daily Test schedules;
  - (g) the process which the Customer will use to review Test Issues and the Supplier's progress in resolving these in a timely basis;
  - (h) the re-Test procedure, the timetable and the resources which would be required for re-Testing; and
  - (i) the process for escalating Test Issues from a re-test situation to the taking of specific remedial action to resolve the Test Issue.

6.3 The Customer shall not unreasonably withhold or delay its Approval of the Testing Strategy Plans provided that the Supplier shall implement any reasonable requirements of the Customer in the Testing Strategy Plans.

**7. TEST SUCCESS CRITERIA**

7.1 The Test Success Criteria for all Tests shall be agreed between the Parties as part of the relevant Testing Strategy Plan pursuant to paragraph 6 of this Call Off Schedule.

**8. TEST SPECIFICATION**

8.1 Following approval of a Testing Strategy Plan, the Supplier shall develop the Test Specification for the relevant Deliverables as soon as reasonably practicable and in any event at least 10 Working Days (or such other period as the Parties may agree in the Test Strategy or otherwise agree in writing) prior to the start of the relevant Testing (as specified in the Implementation Plan).

8.2 Each Test Specification shall include as a minimum:

8.2.1 the specification of the Test data, including its source, scope, volume and management, a request (if applicable) for relevant Test data to be provided by the Customer and the extent to which it is equivalent to live operational data;

8.2.2 a plan to make the resources available for Testing;

8.2.3 Test scripts;

8.2.4 Test pre-requisites and the mechanism for measuring them; and

8.2.5 expected Test results, including:

- (a) a mechanism to be used to capture and record Test results; and
- (b) a method to process the Test results to establish their content.

**9. TESTING**

9.1 Before submitting any Deliverables for Testing the Supplier shall subject the relevant Deliverables to its own internal quality control measures.

9.2 The Supplier shall manage the progress of Testing in accordance with the relevant Testing Strategy Plan and shall carry out the Tests in accordance with the relevant Test Specification. Tests may be witnessed by the Test Witnesses in accordance with paragraph 11 of this Call Off Schedule.

9.3 The Supplier shall notify the Customer at least 10 Working Days (or such other period as the Parties may agree in writing) in advance of the date, time and location of the relevant Tests and the Customer shall ensure that the Test Witnesses attend the Tests, except where the Customer has specified in writing that such attendance is not necessary.

9.4 The Customer may raise and close Test Issues during the Test witnessing process.

9.5 The Supplier shall provide to the Customer in relation to each Test:

9.5.1 a draft Test Report not less than 2 Working Days (or such other period as the Parties may agree in writing) prior to the date on which the Test is planned to end; and

9.5.2 the final Test Report within 5 Working Days (or such other period as the Parties may agree in writing) of completion of Testing.

9.6 Each Test Report shall provide a full report on the Testing conducted in respect of the relevant Deliverables, including:

9.6.1 an overview of the Testing conducted;

9.6.2 identification of the relevant Test Success Criteria that have been satisfied;

9.6.3 identification of the relevant Test Success Criteria that have not been satisfied together with the Supplier's explanation of why those criteria have not been met;

9.6.4 the Tests that were not completed together with the Supplier's explanation of why those Tests were not completed;

9.6.5 the Test Success Criteria that were satisfied, not satisfied or which were not tested, and any other relevant categories, in each case grouped by Severity Level in accordance with paragraph 10.1 of this Call Off Schedule; and

9.6.6 the specification for any hardware and software used throughout Testing and any changes that were applied to that hardware and/or software during Testing.

9.7 When the Supplier has completed a Milestone it shall submit any Deliverables relating to that Milestone for Testing.

9.8 Each party shall bear its own costs in respect of the Testing. However, if a Milestone is not Achieved the Customer shall be entitled to recover from the Supplier, any reasonable additional costs it may incur as a direct result of further review or re-Testing of a Milestone.

9.9 If the Supplier successfully completes the requisite Tests, the Customer shall issue a Satisfaction Certificate as soon as reasonably practical following such successful completion. Notwithstanding the issuing of any Satisfaction Certificate, the Supplier shall remain solely responsible for ensuring that the Services are provided in accordance with this Call Off Contract.

## **10. TEST ISSUES**

10.1 Where a Test Report identifies a Test Issue, the Parties shall agree the classification of the Test Issue using the criteria specified in Annex 1 and the Test Issue Management Log maintained by the Supplier shall log Test Issues reflecting the Severity Level allocated to each Test Issue.

10.2 The Supplier shall be responsible for maintaining the Test Issue Management Log and for ensuring that its contents accurately represent the current status of each Test Issue at all relevant times. The Supplier shall make the Test Issue Management Log available to the Customer upon request.

10.3 The Customer shall confirm the classification of any Test Issue unresolved at the end of a Test in consultation with the Supplier. If the Parties are unable to agree the classification of any unresolved Test Issue, the Dispute shall be dealt with in accordance with the Dispute Resolution Procedure using the Expedited Dispute Timetable.

## **11. TEST WITNESSING**

- 11.1 The Customer may, in its sole discretion, require the attendance at any Test of one or more Test Witnesses selected by the Customer, each of whom shall have appropriate skills to fulfil the role of a Test Witness.
- 11.2 The Supplier shall give the Test Witnesses access to any documentation and Testing environments reasonably necessary and requested by the Test Witnesses to perform their role as a Test Witness in respect of the relevant Tests.
- 11.3 The Test Witnesses:
- 11.3.1 shall actively review the Test documentation;
  - 11.3.2 will attend and engage in the performance of the Tests on behalf of the Customer so as to enable the Customer to gain an informed view of whether a Test Issue may be closed or whether the relevant element of the Test should be re-Tested;
  - 11.3.3 shall not be involved in the execution of any Test;
  - 11.3.4 shall be required to verify that the Supplier conducted the Tests in accordance with the Test Success Criteria and the relevant Testing Strategy Plan and Test Specification;
  - 11.3.5 may produce and deliver their own, independent reports on Testing, which may be used by the Customer to assess whether the Tests have been Achieved;
  - 11.3.6 may raise Test Issues on the Test Issue Management Log in respect of any Testing; and
  - 11.3.7 may require the Supplier to demonstrate the modifications made to any defective Deliverable before a Test Issue is closed.

## 12. TEST QUALITY AUDIT

- 12.1 Without prejudice to its rights pursuant to Clause 21 of this Call Off Contract (Records, Audit Access and Open Book Data), the Customer or an agent or contractor appointed by the Customer may perform on-going quality audits in respect of any part of the Testing (each a **"Testing Quality Audit"**) subject to the provisions set out in the agreed Quality Plan.
- 12.2 The focus of the Testing Quality Audits shall be on:
- 12.2.1 adherence to an agreed methodology;
  - 12.2.2 adherence to the agreed Testing process;
  - 12.2.3 adherence to the Quality Plan;
  - 12.2.4 review of status and key development issues; and
  - 12.2.5 identification of key risk areas.
- 12.3 The Supplier shall allow sufficient time in the Testing Strategy Plan to ensure that adequate responses to a Testing Quality Audit can be provided.
- 12.4 The Customer will give the Supplier at least 5 Working Days' written notice of the Customer's intention to undertake a Testing Quality Audit and the Supplier may request, following receipt of that notice, that any Testing Quality Audit be delayed by a reasonable time period if in the Supplier's reasonable opinion, the carrying out of a Testing Quality Audit at the time specified by the Customer will materially and adversely impact the Implementation Plan.

12.5 A Testing Quality Audit may involve document reviews, interviews with the Supplier Personnel involved in or monitoring the activities being undertaken pursuant to this Schedule, the Customer witnessing Tests and demonstrations of the Deliverables to the Customer. Any Testing Quality Audit shall be limited in duration to a maximum time to be agreed between the Supplier and the Customer on a case by case basis (such agreement not to be unreasonably withheld or delayed). The Supplier shall provide all reasonable necessary assistance and access to all relevant documentation required by the Customer to enable it to carry out the Testing Quality Audit.

12.6 If the Testing Quality Audit gives the Customer concern in respect of the Testing Procedures or any Test, the Customer shall:

12.6.1 discuss the outcome of the Testing Quality Audit with the Supplier, giving the Supplier the opportunity to provide feedback in relation to specific activities; and

12.6.2 subsequently prepare a written report for the Supplier detailing its concerns,

and the Supplier shall, within a reasonable timeframe, respond in writing to the Customer's report.

12.7 In the event of an inadequate response to the written report from the Supplier, the Customer (acting reasonably) may withhold a Test Certificate (and consequently delay the grant of a Satisfaction Certificate) until the issues in the report have been addressed to the reasonable satisfaction of the Customer.

### **13. OUTCOME OF TESTING**

13.1 The Customer will issue a Test Certificate when the Deliverables satisfy the Test Success Criteria in respect of that Test without any Test Issues.

13.2 If the Deliverables (or any relevant part) do not satisfy the Test Success Criteria then the Customer shall notify the Supplier and:

13.2.1 the Customer may issue a Test Certificate conditional upon the remediation of the Test Issues;

13.2.2 where the Parties agree that there is sufficient time prior to the relevant Milestone Date, the Customer may extend the Testing Strategy Plan by such reasonable period or periods as the Parties may reasonably agree and require the Supplier to rectify the cause of the Test Issue and re-submit the Deliverables (or the relevant part) to Testing; or

13.2.3 where the failure to satisfy the Test Success Criteria results, or is likely to result, in the failure (in whole or in part) by the Supplier to meet a Milestone, then without prejudice to the Customer's other rights and remedies, such failure shall constitute a material Default.

13.3 The Customer shall be entitled, without prejudice to any other rights and remedies that it has under this Call Off Contract, to recover from the Supplier any reasonable additional costs it may incur as a direct result of further review or re-Testing which is required for the Test Success Criteria for that Deliverable to be satisfied.

### **14. ISSUE OF SATISFACTION CERTIFICATE**

14.1 The Customer shall issue a Satisfaction Certificate in respect of a given Milestone as soon as is reasonably practicable following:

- 14.1.1 the issuing by the Customer of Test Certificates and/or conditional Test Certificates in respect of all Deliverables related to that Milestone which are due to be Tested; and
- 14.1.2 performance by the Supplier to the reasonable satisfaction of the Customer of any other tasks identified in the Implementation Plan as associated with that Milestone (which may include the submission of a Deliverable that is not due to be Tested, such as the production of Documentation).
- 14.2 The grant of a Satisfaction Certificate shall entitle the Supplier to the receipt of a payment in respect of that Milestone in accordance with the provisions of any Implementation Plan and Schedule 3 (Call Off Contract Charging, Payment and Invoicing).
- 14.3 If a Milestone is not Achieved, the Customer shall promptly issue a report to the Supplier setting out:
  - 14.3.1 the applicable Test Issues; and
  - 14.3.2 any other reasons for the relevant Milestone not being Achieved.
- 14.4 If there are Test Issues but these do not exceed the Test Issues Threshold, then provided there are no Material Test Issues, the Customer shall issue a Satisfaction Certificate.
- 14.5 If there is one or more Material Test Issue(s), the Customer shall refuse to issue a Satisfaction Certificate and, without prejudice to the Customer's other rights and remedies, such failure shall constitute a material Default.
- 14.6 If there are Test Issues which exceed the Test Issues Threshold but there are no Material Test Issues, the Customer may at its discretion (without waiving any rights in relation to the other options) choose to issue a Satisfaction Certificate conditional on the remediation of the Test Issues in accordance with an agreed Rectification Plan provided that:
  - 14.6.1 any Rectification Plan shall be agreed before the issue of a conditional Satisfaction Certificate unless the Customer agrees otherwise (in which case the Supplier shall submit a Rectification Plan for approval by the Customer within 10 Working Days of receipt of the Customer's report pursuant to paragraph 13.3 of this Call Off Schedule); and
  - 14.6.2 where the Customer issues a conditional Satisfaction Certificate, it may (but shall not be obliged to) revise the failed Milestone Date and any subsequent Milestone Date.

## ANNEX 1: TEST ISSUES – SEVERITY LEVELS

### 1. SEVERITY 1 ERROR

1.1 This is an error that causes non-recoverable conditions, e.g. it is not possible to continue using a Component, a Component crashes, there is database or file corruption, or data loss.

### 2. SEVERITY 2 ERROR

2.1 This is an error for which, as reasonably determined by the Customer, there is no practicable workaround available, and which:

2.1.1 causes a Component to become unusable;

2.1.2 causes a lack of functionality, or unexpected functionality, that has an impact on the current Test; or

2.1.3 has an adverse impact on any other Component(s) or any other area of the Services.

### 3. SEVERITY 3 ERROR

3.1 This is an error which:

3.1.1 causes a Component to become unusable;

3.1.2 causes a lack of functionality, or unexpected functionality, but which does not impact on the current Test; or

3.1.3 has an impact on any other Component(s) or any other area of the Services;

but for which, as reasonably determined by the Customer, there is a practicable workaround available.

### 4. SEVERITY 4 ERROR

4.1 This is an error which causes incorrect functionality of a Component or process, but for which there is a simple, Component based, workaround, and which has no impact on the current Test, or other areas of the Services.

### 5. SEVERITY 5 ERROR

5.1 This is an error that causes a minor problem, for which no workaround is required, and which has no impact on the current Test, or other areas of the Services.

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**ANNEX 2: TEST CERTIFICATE**

To: [insert name of Supplier]  
From: The Ministry of Justice  
[insert Date dd/mm/yyyy]

Dear Sirs,

**TEST CERTIFICATE**

Deliverables:

We refer to the agreement ("**Call Off Contract**") relating to the provision of the Services between the Secretary of State for Justice acting as part of the Crown ("**Customer**") and [insert Supplier name] ("**Supplier**") dated [insert Service Commencement Date dd/mm/yyyy].

The definitions for terms capitalised in this certificate are set out in this Call Off Contract.

[We confirm that all of Deliverables listed above have been tested successfully in accordance with the Testing Strategy Plan relevant to those Deliverables.]

[OR]

[This Test Certificate is issued pursuant to paragraph 13.1 of Call Off Schedule 5 (Testing) of this Call Off Contract on the condition that any Test Issues are remedied in accordance with the Rectification Plan attached to this certificate.]

Yours faithfully  
[insert Name]  
[insert Position]  
acting on behalf of The Ministry of Justice

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**ANNEX 3: SATISFACTION CERTIFICATE**

To: [insert name of Supplier]  
From: The Ministry of Justice  
[insert Date dd/mm/yyyy]

Dear Sirs,

**SATISFACTION CERTIFICATE**

Milestone:

We refer to the agreement ("**Call Off Contract**") relating to the provision of the Services between the Secretary of State for Justice acting as part of the Crown ("**Customer**") and [insert Supplier name] ("**Supplier**") dated [insert Call Off Commencement Date dd/mm/yyyy].

The definitions for terms capitalised in this certificate are set out in this Call Off Contract.

[We confirm that all the Deliverables relating to Milestone [number] have been tested successfully in accordance with the Testing Strategy Plan relevant to this Milestone [or that a conditional Test Certificate has been issued in respect of those Deliverables that have not satisfied the relevant Test Success Criteria.]

[OR]

[This Satisfaction Certificate is granted pursuant to paragraph 13.1 of Call Off Schedule 5 (Testing) of this Call Off Contract on the condition that any Test Issues are remedied in accordance with the Rectification Plan attached to this certificate.]

[You may now issue an invoice in respect of 50% of the Milestone Payment associated with this Milestone in accordance with the provisions of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)]

Yours faithfully  
[insert Name]  
[insert Position]  
acting on behalf of The Ministry of Justice

**CALL OFF SCHEDULE 6: PAYMENT MECHANISM, KPIS, SERVICE LEVELS AND PERFORMANCE MONITORING:**

**1. SCOPE**

1.1 This Call-Off Schedule (Payment Mechanism, KPIs, Service Levels and Performance Monitoring):

1.1.1 sets out the calculation of the monthly payment and any variations and details the link between Framework Agreement Schedule 2 Part B – Key Performance Indicators and the value of this Call Off Contract which may be at risk as a result of poor performance by the Supplier; and

1.1.2 details the Key Performance Indicators and the Service Levels which the Supplier is required to achieve when providing the Services, the mechanism by which Service Level/KPI Failures will be managed and the method by which the Supplier's performance in the provision by it of the Services will be monitored.

1.2 This Call-Off Schedule comprises:

Part A: Payment mechanism

1.2.1 Calculation of the monthly payment

1.2.2 Calculation of the fixed monthly payment

1.2.3 Calculation of the adjusted variable amount

1.2.4 Calculation of the indexed monthly payment

1.2.5 Calculation of variations

1.2.6 Calculation of the Performance Deduction

1.2.7 Ratchet

1.2.8 Annex 1 to Part A – Cost per unit of Activity Rates as defined in Framework Schedule 3 Table 3 and detailed at Call-Off stage

1.2.9 Annex 2 to Part A – not used

Part B: Key Performance Indicators and Service Levels

1.2.10 Annex 1 to Part B: Key Performance Indicators

1.2.11 Annex 2 to Part B: Service Levels

Part C: Performance Monitoring Reports

1.2.12 Annex 1 to Part C Additional Performance Monitoring Requirements.

## **PART A: PAYMENT MECHANISM AND PERFORMANCE DEDUCTIONS**

### **1. INTRODUCTION**

1.1 The payment mechanism is a process for adjusting the monthly amount payable by the variable elements of the Call-Off Contract which are:

1.1.1 Adjusted Variable Amount ;

1.1.2 variations in respect of additional variable services as set out at tab 4 of the Cost Model and described in paragraphs 3.19 to 3.21 of this Schedule ;

1.1.3 Performance Deductions (which will always be a deduction);

1.1.4 payments inflated in-line with the Consumer Prices Index (all items); and

1.1.5 payments reduced in-line with the Efficiency Factor

and further details regarding the definition and calculation of such costs are set out further in this Call Off Contract including in the Cost Model, Schedule 3 and this Schedule 6.

1.2 Notwithstanding Schedule 3 and the Variation Procedure, a change to the Adjusted Variable Amount may be requested by either the Supplier or the Customer if, in any consecutive 3-Month period, the Variation Threshold is exceeded.

1.3 The request is to be submitted in writing at least one (1) Month before the effective date for the proposed increase in the relevant Activity Rates of the Call Off Contract Charges

1.4 To make a request for a change in the variable Activity Rates, (or if responding to a request from the Customer), once the Variation Threshold has been exceeded, the Supplier shall provide the Customer with:

1.4.1 a list of the Call Off Contract Charges (variable Activity Rates only) it wishes to review; and

1.4.2 for each of the Call Off Contract Charges under review, written evidence of the justification for the requested change including:

- (a) details of the movement in the different identified cost components of the relevant Call Off Contract Charge;
- (b) reasons for the movement in the different identified cost components of the relevant Call Off Contract Charge;
- (c) evidence that the Supplier has attempted to mitigate against any future increases in the relevant cost components; and
- (d) evidence that the Supplier's profit and overhead components of the relevant Call Off Contract Charge is excluded from the request.

1.5 The request for a change in the variable Activity Rates shall be subject to the Approval of the Customer which shall be granted at the Customer's sole discretion.

### **2. DEFINITIONS**

#### **2.1**

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<b>Activity Rate</b>	Means a cost per unit (APC) of activity as set out in Annex 1 to Part A of this Schedule 6.
<b>Adjusted Variable Amount</b>	Means an increase or decrease in payment caused by increases or decreases to helpdesk workload the amount of which is calculated by reference to actual call volumes compared to call volumes stated in tab 2 Information Data Pack of the Cost Model and calculated in accordance with paragraphs 3.11 to 3.15 of this Schedule
<b>Adjustment Date</b>	The date at which the charges are adjusted by indexation.
<b>Allowable Outbound Calls</b>	Means outbound calls which are not related to planned preventative maintenance (PPM) but outbound calls generated by remediable works arising from planned maintenance are Allowable Outbound Calls.
<b>Call Off Contract Days</b>	The number of Working Days.
<b>Call Off Contract Month</b>	A particular month within the Call Off Contract, referred to as "n".
<b>Fixed Monthly Payment</b>	The amount calculated in accordance with paragraphs 3.9 and 3.10 of this Schedule 6
<b>Indexation Factor</b>	The factor applied to both: <ul style="list-style-type: none"><li>i) the Fixed Monthly Payment and</li><li>ii) the cost per unit of Helpdesk activities as included in Annex 1 Part A, in accordance with the formulae identified within this Call Off Schedule.</li></ul>
<b>Monthly Payment</b>	The total monthly payment.
<b>Monthly Total Value at Risk</b>	This is capped at 6% of the total of the Fixed Monthly Payment and Adjusted Variable Amount of the month in question.
<b>n</b>	Means the current or specific Month in the Call Off Contract
<b>n-1</b>	Means the Previous Call Off Contract Month
<b>Previous Call Off Contract Month</b>	The Month in the Call Off Contract immediately prior to current or specific Month of the Call Off Contract such current or specific Month being referred to as "n" and the Previous Call Off Contract Month being referred to as "n-1".

**Variation Threshold**

When for a 3 Month period, the percentage calculated by dividing the Adjusted Variation Amount by the Base Helpdesk Cost, exceeds 10% (ten per cent) the Parties may vary the element of the Call Off Contract Charges as set out in the Cost Model related to the provision of the helpdesk service only (i.e. not the costs related to the CAFM, MI or Technology & Infrastructure).

2.2 In aggregation formulae (denoted by the character  $\Sigma$ ), all separate variables with appended subscripts must be aggregated to return the required result.

**3. CALCULATION OF THE MONTHLY PAYMENT**

3.1 The Monthly Payment,  $MP_n$ , in respect of a Call Off Contract Month “n” shall be calculated in accordance with the following formula:

$$MP_n = (FMP_n + AVA_{n-1} + V_{n-1} - PD_{n-1}) \times (100\% - EF_n) \quad (1)$$

where:

$MP_n$  is the Monthly Payment to be determined in respect of the Call Off Contract Month “n”;

$FMP_n$  is the Fixed Monthly Payment for Call Off Contract Month “n”. This is the annual lump sum Call Off Contract charge, divided by 12;

$AVA_{n-1}$  is the Adjusted Variable Amount for the previous Call Off Contract Month.

$V_{n-1}$  is the value of variations (as described in paragraph 1.1.2) for the previous Call Off Contract Month;

$PD_{n-1}$  is the Performance Deduction in respect of the previous Call Off Contract Month for failure against the KPIs as detailed below in Annex 1 Part B of this schedule; and

$EF_n$  is the Efficiency Factor for Call Off Contract Month “n” which is the %age reduction agreed at Framework to be applied to all costs and payments in each Service Contract Year the application of which to this Call Off Contract is as described in tab 7 of the Cost Model (Efficiency Saving). In Year 1, this factor is defined to be 0%.

3.2 Equation (1) will be superseded by equation (2) in the final Month of the Call Off Contract :

$$MP_n = (FMP_n + AVA_{n-1} + V_{n-1} - (2 \times PD_{n-1})) \times (100\% - EF_n) \quad (2)$$

3.3 Where the terms are consistent with those given above.

3.4 A balancing payment will be paid to, or a sum deducted from, the Supplier following the assessment of the Supplier’s performance in the final Month and will reflect actual performance in the final Month of the Call Off Contract.

- 3.5 A balancing adjustment will be made for the Adjusted Variable Amount relating to the final Month of the Call Off Contract.
- 3.6 A balancing payment will be paid to the Supplier for the cost of variations within the final Month of the Call Off Contract.
- 3.7 Where the Monthly Payment relates to a period other than a full Call-Off Contract Month, the Fixed Monthly Payment and the Adjusted Variable Amount shall be calculated on a pro rata basis to reflect the Call Off Contract Days for that period.
- 3.8 Each of clauses 3.5 – 3.8 will incorporate the Efficiency Factor for the relevant Call Off Contract Year.

### 3.9 CALCULATION OF THE FIXED MONTHLY PAYMENT

- 3.10 The Fixed Monthly Payment (FMP) comprises of the following fixed elements of cost as detailed within Call Off Schedule 3, Annex 1 Cost Model

$$FMP_n = CAFM_n + MIR_n + HAS_n + BHP_n \quad (3)$$

Where,

CAFM Is the CAFM cost detailed within the Cost Model;

MIR “MI Reporting” is the MI Reporting cost detailed within the Cost Model;

HAS the Hardware and Software costs detailed within the Cost Model; and

BHP the Base Helpdesk Payment detailed within Call Off Schedule 3, Annex 1 Cost Model (“Summary” tab).

### 3.11 CALCULATION OF ADJUSTED VARIABLE AMOUNT (AVA)

- 3.12 Subject to the Variation Threshold not being exceeded, the Adjusted Variable Amount (AVA) is calculated in the following way:

$$AVA_{n-1} = RHC_{n-1} - BHC_{n-1} \quad (4)$$

- 3.13 The Base Helpdesk Cost (“BHC”) is the Base Helpdesk Payment (“BHP”) without the uplift for Profit and Overhead (see the “Activity” Tab in the Cost Model); and

- 3.14 The Revised Helpdesk Cost (“RHC”) is the actual cost of providing the service calculated on a Monthly basis in the following way:

$$RHC_{n-1} = \sum APQ_{n-1} \times APC \quad (5)$$

Where:

APQ<sub>n-1</sub> is the quantity for each Category of Activity (which are listed in Annex A and as defined in Schedule 1 – Definitions) for the previous Contract Month; and

APC is the cost for each Category of Activity as defined in Table 1 of Annex A. Each Cost is applied to the quantity corresponding to

each Category of the Adjusted Variable Amount.

- 3.15 It should be noted that neither of the Base Helpdesk Cost nor the Revised Helpdesk Cost include profit or overhead so the changes in income by implementing the Adjusted Variable Amount should not affect the profit or overhead amounts bid as part of the bidding process

3.16 **CALCULATION OF THE INDEXED MONTHLY PAYMENT**

- 3.17 Indexation shall be applied to both the Fixed Monthly Payment and the Adjusted Variable Amount through application to the cost per unit of helpdesk activities in Annex 1 by using an Indexation Factor (IF). This will be calculated as follows:

$$IF = \frac{CPI_{AD}}{CPI_o} \quad (6)$$

Where:

$CPI_o$  is the Consumer Price Index Payment Index for the Call-Off Contract Month commencing at the Call Off Commencement Date; and

$CPI_{AD}$  is the Consumer Price Index Payment Index for the Call-Off Contract Month commencing on the relevant Adjustment Date.

- 3.18 The Indexation Factor will be applied:

- a) To the Fixed Monthly Payment
- b) To the AVA

and further details regarding the calculation of indexation are set out in Schedule 3.

3.19 **CALCULATION OF VARIATIONS ( $V_{n-1}$ )**

- 3.20 Variation costs will be totalled for the Call Off Contract Month.

- 3.21 The monthly Variation payment in relation to Call Off Contract Month “n” is the sum of the Variations for Month “n” as agreed between the parties.

3.22 **CALCULATION OF THE PERFORMANCE DEDUCTION ( $PD_{n-1}$ )**

- 3.23 The monthly Performance Deductions shall be capped at the Monthly Total Value at Risk for the Month in question.

- 3.24 The monthly adjustment in relation to Performance Deduction for the Call Off Contract Month “n” ( $PD_n$ ) is the sum of the Performance Deductions for Month “n” for failure against the KPI for each relevant Service in that Month ( $PD_{KPIsn}$ ), calculated in accordance with the following formula:

$$PD_n = \sum PD_{KPIsn} \quad (7)$$

- 3.25  $PD_{KPIsn}$  shall be determined in accordance with the following formula:

$$PD_{KPIsn} = KSD_n \times R \quad (8)$$

where:

**PKPIsn** is the aggregate of the Performance Deductions for each of the KPIs, against the KPI for each Service, for the Call Off Contract Month “n”;

**KSDn** is the KPI service deduction for each KPI for the Call Off Contract Month calculated by reference to the KPI model set out in Annex 1 to Part B of this Schedule. This deduction is applied to both the Fixed Monthly Payment and Adjusted Variable Amount for Call Off Contract Month “n”; and

**R** is the Ratchet applied individually to each KPI with repeated or frequent failure, this will either be 1, 1.5, 1.75 or 2.

### **3.26 RATCHET**

3.27 A Ratchet will apply to the total value of KPI deductions for each Service for frequent or repeated failure of the KPI with failure meaning an occasion where the Customer is entitled to apply a Performance Deduction in respect of a KPI.

3.28 The Ratchet is applied to the deduction for the relevant Contract Month. There are three levels of Ratchet, the application of which depends on frequency of repeated failures against the KPIs for the Services.

3.29 In the instance that either the Service has not experienced repeat failure, or that the conditions for the three ratchets outlined below are not applicable, the Ratchet will taken to be one (1).

3.30 In the instance that the deduction is a result of both Consecutive Failure and Failure over a 12 Month period and more than one ratchet applies, the deduction and ratchet resulting in the highest deductions will be used.

3.31 Ratchet for Consecutive Failure:

- (a) A repetition ratchet of 1.5 will be applied if any Service has failed the KPI for two (2) consecutive Months the ratchet will apply to the second Month.
- (b) A repetition ratchet of 1.75 will be applied if any Service has failed the KPI for three (3) consecutive Months the ratchet will apply to the third Month.
- (c) A repetition ratchet of 2 will be applied if any Service has failed the KPI for four (4) consecutive months the ratchet will apply to the fourth and every subsequent consecutive Month.

3.32 Ratchet for Failure over a 12 Month period:

- (a) If in any 12 Month rolling period the KPI for a Service is failed three (3) times a ratchet of 1.5 will be applied to the third occurrence.
- (b) If in any 12 Month rolling period the KPI for a Service is failed four (4) or five (5) times a ratchet of 1.75 will be applied to the fourth and fifth occurrence.
- (c) If in any 12 Month rolling period the KPI for a Service is failed six (6) or more times a ratchet of 2 will be applied to the sixth occurrence and for every subsequent occurrence within the rolling period.

**4. BEDDING IN PERIOD**

- 4.1 The Supplier will be expected to be fully mobilised prior to the Service Commencement Date. As such Performance Deductions will apply from the Service Commencement Date and no bedding in period will apply.

**ANNEX 1 TO PART A – ACTIVITY RATES****Table 1**

Row	Category of Activity	Cost Per Unit (APC)
A	Call type 1	REDACTED
B	Call type 2	REDACTED
C	Permissible Outbound calls	REDACTED
D	Text/email	REDACTED
E	Web portal request	REDACTED

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**ANNEX 2 TO PART A: NOT USED**

**PART B: KEY PERFORMANCE INDICATORS AND SERVICE LEVELS**

- 1.1 The purpose of this Part B is to set out the detailed Key Performance Indicators (KPIs) in Annex1 Part B and the Service Levels Annex 2 Part B by which the Supplier's overall performance under this Call Off Contract shall be monitored and managed.

**ANNEX 1 PART B – KEY PERFORMANCE INDICATORS**

**REDACTED**

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**ANNEX 2 PART B – SERVICE LEVELS**

1. Service Level requirements are set out in Annex B Helpdesk Response Times of Call Off Schedule 2 (Services)

**PART C : PERFORMANCE MONITORING REPORTS**

**1. PERFORMANCE MONITORING**

- 1.1 The requirements for Performance Monitoring Reports are set out in the specification forming Annex 1 to Schedule 2

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**ANNEX 1 TO PART C: ADDITIONAL PERFORMANCE MONITORING REQUIREMENTS**

None.

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**CALL OFF SCHEDULE 7: STANDARDS**

NOT USED

**CALL OFF SCHEDULE 8: SECURITY****1. DEFINITIONS**

1.1 In this Call Off Schedule 8, the following definitions shall apply:

<b>"Baseline Security Requirements"</b>	means those requirements outlined in Annex 1 of this Call Off Schedule 8
<b>"Breach of Security"</b>	means the occurrence of: <ol style="list-style-type: none"> <li>a) any unauthorised access to or use of the Services, the Sites, the ICT Environment and/or any ICT, information or data (including the Confidential Information and the Customer Data) used by the Customer and/or the Supplier in connection with this Call Off Contract; and/or</li> <li>b) the loss and/or unauthorised disclosure of any information or data (including the Confidential Information and the Customer Data), including any copies of such information or data, used by the Customer and/or the Supplier in connection with this Call Off Contract;</li> </ol> <p>in either case as more particularly set out in:</p> <ol style="list-style-type: none"> <li>(1) the Baseline Security Requirements in Annex 1 to this Call Off Schedule 8; and</li> <li>(2) the Security Policy in Annex 2 to this Call Off Schedule 8.</li> </ol>
<b>"ISMS"</b>	the information security management system developed by the Supplier in accordance with paragraph 2 (ISMS) as updated from time to time in accordance with this Schedule 8;
<b>"Security Policy Framework"</b>	the HMG Security Policy Framework <a href="https://www.gov.uk/government/publications/security-policy-framework">https://www.gov.uk/government/publications/security-policy-framework</a> ; and
<b>"Security Tests"</b>	has the meaning given in paragraph 6.1 of this Call Off Schedule (Testing of the ISMS).

**2. INTRODUCTION**

- 2.1 The Parties acknowledge that the purpose of the ISMS and the Security Management Plan are to ensure a good organisational approach to security under which the specific requirements of this Call Off Contract will be met.
- 2.2 The Customer shall clearly articulate its high level security requirements so that the Supplier can ensure that the ISMS, security related activities and any mitigations are driven by these fundamental needs.
- 2.3 Both Parties shall provide a reasonable level of access to any members of their personnel for the purposes of designing, implementing and managing security.
- 2.4 The Supplier shall use as a minimum, Good Industry Practice, in the day to day operation of any system holding, transferring or processing Customer Data and any system that could directly or indirectly have an impact on that information,

and shall ensure that the Customer Data remains under the effective control of the Supplier at all times.

2.5 The Supplier shall ensure the up-to-date maintenance of a security policy relating to the operation of its own organisation and system and on request shall supply this document as soon as practicable to the Customer.

2.6 The Customer and the Supplier acknowledge that information security risks are shared between the Parties and that a compromise of either the Supplier or the Customer's security provisions represents an unacceptable risk to the Customer requiring immediate communication and co-operation between the Parties.

### **3. ISMS**

3.1 By the date specified in the Implementation Plan the Supplier shall develop and submit to the Customer for the Customer's Approval an information security management system for the purposes of this Call Off Contract, which:

3.1.1 if required by the Implementation Plan, shall have been tested in accordance with Call Off Schedule 5 (Testing); and

3.1.2 shall comply with the requirements of paragraphs 3.3 to 3.5 of this Call Off Schedule 8 (Security).

3.2 The Supplier acknowledges that the Customer places great emphasis on the confidentiality, integrity and availability of information and consequently on the security provided by the ISMS and that the Supplier shall be responsible for the effective performance of the ISMS.

3.3 The ISMS shall:

3.3.1 unless otherwise specified by the Customer in writing, be developed to protect all aspects of the Services and all processes associated with the delivery of the Services, including the Customer Premises, the Sites, the Supplier System, the Customer System (to the extent that it is under the control of the Supplier) and any ICT, information and data (including the Customer's Confidential Information and the Customer Data) to the extent used by the Customer or the Supplier in connection with this Call Off Contract;

3.3.2 meet the relevant standards in ISO/IEC 27001 and ISO/IEC 27002 in accordance with Paragraph 7 ;and

3.3.3 at all times provide a level of security which:

- (a) is in accordance with Good Industry Practice, Law and this Call Off Contract;
- (b) complies with the Baseline Security Requirements;
- (c) complies with the Security Policy;
- (d) complies with at least the minimum set of security measures and standards as determined by the Security Policy Framework (Tiers 1-4);
- (e) meets any specific security threats to the ISMS, the Services and/or Customer Data;
- (f) addresses issues of incompatibility with the Supplier's own organisational security policies;
- (g) complies with ISO/IEC27001 and ISO/IEC27002 in accordance with paragraph 7; and

(h) complies with the Customer's ICT policies.

3.3.4 document the security incident management processes and incident response plans;

3.3.5 document the vulnerability management policy including processes for identification of system vulnerabilities and assessment of the potential impact on the Services of any new threat, vulnerability or exploitation technique of which the Supplier becomes aware, prioritisation of security patches, testing of security patches, application of security patches, a process for Customer approvals of exceptions, and the reporting and audit mechanism detailing the efficacy of the patching policy; and

3.3.6 be certified by (or by a person with the direct delegated authority of) a Supplier's main board representative, being the Chief Security Officer, Chief Information Officer, Chief Technical Officer or Chief Financial Officer (or equivalent as agreed in writing by the Customer in advance of issue of the relevant Security Management Plan).

3.4 Subject to Clause 35 of this Call Off Contract (Security And Protection of Information) the references to standards, guidance and policies set out in paragraph 3.3 of this Call Off Schedule shall be deemed to be references to such items as developed and updated and to any successor to or replacement for such standards, guidance and policies, as notified to the Supplier from time to time.

3.5 In the event that the Supplier becomes aware of any inconsistency in the provisions of the standards, guidance and policies set out in paragraph 3.3 of this Call Off Schedule, the Supplier shall immediately notify the Customer Representative of such inconsistency and the Customer Representative shall, as soon as practicable, notify the Supplier as to which provision the Supplier shall comply with.

3.6 If the ISMS submitted to the Customer pursuant to paragraph 3.1 of this Call Off Schedule is Approved by the Customer, it shall be adopted by the Supplier immediately and thereafter operated and maintained in accordance with this Call Off Schedule. If the ISMS is not Approved by the Customer, the Supplier shall amend it within ten (10) Working Days of a notice of non-approval from the Customer and re-submit it to the Customer for Approval. The Parties shall use all reasonable endeavours to ensure that the Approval process takes as little time as possible and in any event no longer than fifteen (15) Working Days (or such other period as the Parties may agree in writing) from the date of the first submission of the ISMS to the Customer. If the Customer does not Approve the ISMS following its resubmission, the matter shall be resolved in accordance with the Dispute Resolution Procedure. No Approval to be given by the Customer pursuant to this paragraph 2 of this Call Off Schedule may be unreasonably withheld or delayed. However any failure to approve the ISMS on the grounds that it does not comply with any of the requirements set out in paragraphs 3.3 to 3.5 of this Call Off Schedule shall be deemed to be reasonable.

3.7 Approval by the Customer of the ISMS pursuant to paragraph 3.6 of this Call Off Schedule or of any change or amendment to the ISMS shall not relieve the Supplier of its obligations under this Schedule.

#### **4. SECURITY MANAGEMENT PLAN**

4.1 Within twenty (20) Working Days after the Call Off Commencement Date, the Supplier shall prepare and submit to the Customer for Approval in accordance

with paragraph 4 of this Call Off Schedule a fully developed, complete and up-to-date Security Management Plan which shall comply with the requirements of paragraph 3.2 of this Call Off Schedule.

**4.2 The Security Management Plan shall:**

4.2.1 be based on the initial Security Management Plan set out in Annex 3 (Security Management Plan);

4.2.2 comply with the Baseline Security Requirements and Security Policy;

4.2.3 identify the necessary delegated organisational roles defined for those responsible for ensuring this Call Off Schedule 8 is complied with by the Supplier;

4.2.4 detail the process for managing any security risks from Sub-contractors and third parties authorised by the Customer with access to the Services, processes associated with the delivery of the Services, the Customer Premises, the Sites, the Supplier System, the Customer System (to the extent that it is under the control of the Supplier) and any ICT, information and data (including the Customer Confidential Information and Customer Data) and any system that could directly or indirectly have an impact on that information, data and/or Services;

4.2.5 unless otherwise specified by the Customer in writing, be developed to protect all aspects of the Services and all processes associated with the delivery of the Services, including the Customer Premises, the Sites, the Supplier System, the Customer System (to the extent that it is under the control of the Supplier) and any ICT, information and data (including the Customer's Confidential Information and the Customer Data) to the extent used by the Customer or the Supplier in connection with this Call Off Contract;

4.2.6 set out the security measures to be implemented and maintained by the Supplier in relation to all aspects of the Services and all processes associated with the delivery of the Services and at all times comply with and specify security measures and procedures which are sufficient to ensure that the Services comply with the provisions of this Call Off Schedule 8 (including the requirements set out in paragraph 4.2 of this Call Off Schedule);

4.2.7 demonstrate that the Supplier's approach to delivery of the Services has minimised the Customer and Supplier effort required to comply with this Call Off Schedule through consideration of available, appropriate and practicable pan-government accredited services (for example, 'platform as a service' offering from the G-Cloud catalogue);

4.2.8 set out the plans for transitioning all security arrangements and responsibilities from those in place at the Call Off Commencement Date to those incorporated in the ISMS at the date set out in the Implementation Plan for the Supplier to meet the full obligations of the security requirements set out in Schedule Annex 1 (Security) to this Schedule 8;

4.2.9 set out the scope of the Customer System that is under the control of the Supplier;

4.2.10 be structured in accordance with ISO/IEC27001 and ISO/IEC27002, cross-referencing if necessary to other Schedules which cover specific areas included within those standards; and

4.2.11 be written in plain English in language which is readily comprehensible to the staff of the Supplier and the Customer engaged in the Services and

shall reference only documents which are in the possession of the Customer or whose location is otherwise specified in this Call Off Schedule 8.

4.3 If the Security Management Plan submitted to the Customer pursuant to paragraph 3.1 of this Call Off Schedule is Approved by the Customer, it shall be adopted by the Supplier immediately and thereafter operated and maintained in accordance with this Call Off Schedule. If the Security Management Plan is not approved by the Customer, the Supplier shall amend it within ten (10) Working Days of a notice of non-approval from the Customer and re-submit it to the Customer for Approval. The Parties shall use all reasonable endeavours to ensure that the Approval process takes as little time as possible and in any event no longer than fifteen (15) Working Days (or such other period as the Parties may agree in writing) from the date of the first submission to the Customer of the Security Management Plan. If the Customer does not Approve the Security Management Plan following its resubmission, the matter shall be resolved in accordance with the Dispute Resolution Procedure. No Approval to be given by the Customer pursuant to this paragraph may be unreasonably withheld or delayed. However any failure to approve the Security Management Plan on the grounds that it does not comply with the requirements set out in paragraph 4.2 of this Call Off Schedule shall be deemed to be reasonable.

4.4 Approval by the Customer of the Security Management Plan pursuant to paragraph 4.3 of this Call Off Schedule or of any change or amendment to the Security Management Plan shall not relieve the Supplier of its obligations under this Call Off Schedule.

## **5. AMENDMENT AND REVISION OF THE ISMS AND SECURITY MANAGEMENT PLAN**

5.1 The ISMS and Security Management Plan shall be fully reviewed and updated by the Supplier from time to time and at least annually to reflect:

- 5.1.1 emerging changes in Good Industry Practice;
- 5.1.2 any change or proposed change to the Supplier System, the Services and/or associated processes;
- 5.1.3 any new perceived or changed security threats; and
- 5.1.4 any reasonable request by the Customer.

5.2 The Supplier shall provide the Customer with the results of such reviews as soon as reasonably practicable after their completion and amend the ISMS and Security Management Plan at no additional cost to the Customer. The results of the review shall include, without limitation:

- 5.2.1 suggested improvements to the effectiveness of the ISMS;
- 5.2.2 updates to the risk assessments;
- 5.2.3 proposed modifications to the procedures and controls that effect information security to respond to events that may impact on the ISMS; and
- 5.2.4 suggested improvements in measuring the effectiveness of controls.

5.3 Subject to paragraph 5.4 of this Call Off Schedule, any change or amendment which the Supplier proposes to make to the ISMS or Security Management Plan (as a result of a review carried out pursuant to paragraph 5.1 of this Call Off Schedule, a Customer request, change to Annex 1 (Security) or otherwise) shall

be subject to the Variation Procedure and shall not be implemented until Approved in writing by the Customer.

- 5.4 The Customer may, where it is reasonable to do so, Approve and require changes or amendments to the ISMS or Security Management Plan to be implemented on timescales faster than set out in the Variation Procedure but, without prejudice to their effectiveness, all such changes and amendments shall thereafter be subject to the Variation Procedure for the purposes of formalising and documenting the relevant change or amendment for the purposes of this Call Off Contract.

## 6. TESTING OF THE ISMS

- 6.1 The Supplier shall conduct tests of the ISMS ("**Security Tests**") from time to time and at least annually and additionally after any change or amendment to the ISMS or the Security Management Plan. Security Tests shall be designed and implemented by the Supplier so as to minimise the impact on the delivery of the Services and the date, timing, content and conduct of such Security Tests shall be agreed in advance with the Customer. Subject to compliance by the Supplier with the foregoing requirements, if any Security Tests adversely affect the Supplier's ability to deliver the Services so as to meet the Service Level Performance Measures, the Supplier shall, subject to Clause 40, be granted relief against any resultant under-performance for the period of the Security Tests.
- 6.2 The Customer shall be entitled to send a representative to witness the conduct of the Security Tests. The Supplier shall provide the Customer with the results of such Security Tests (in a form approved by the Customer in advance) as soon as practicable after completion of each Security Test.
- 6.3 Without prejudice to any other right of audit or access granted to the Customer pursuant to this Call Off Contract, the Customer and/or its authorised representatives shall be entitled, at any time and without giving notice to the Supplier, to carry out such tests (including penetration tests) as it may deem necessary in relation to the ISMS and the Supplier's compliance with the ISMS and the Security Management Plan. The Customer may notify the Supplier of the results of such tests after completion of each such test. If any such Customer test adversely affects the Supplier's ability to deliver the Services so as to meet the Service Level Performance Measures, the Supplier shall, subject to Clause 40, be granted relief against any resultant under-performance for the period of the Customer test.
- 6.4 Where any Security Test carried out pursuant to paragraphs 6.2 or 6.3 of this Call Off Schedule reveals any actual or potential Breach of Security, the Supplier shall promptly notify the Customer of any changes to the ISMS and to the Security Management Plan (and the implementation thereof) which the Supplier proposes to make in order to correct such failure or weakness. Subject to the Customer's prior written Approval, the Supplier shall implement such changes to the ISMS and the Security Management Plan and repeat the relevant Security Tests in accordance with the timetable agreed with the Customer or, otherwise, as soon as reasonably possible. For the avoidance of doubt, where the change to the ISMS or Security Management Plan is to address a non-compliance with the Security Policy or security requirements (as set out in Annex 1 (Security) to this Call Off Schedule) or the requirements of this Call Off Schedule, the change to the ISMS or Security Management Plan shall be at no cost to the Customer.

6.5 If any repeat Security Test carried out pursuant to paragraph 6.4 of this Call Off Schedule reveals an actual or potential Breach of Security exploiting the same root cause failure, such circumstance shall constitute a material Default of this Call Off Contract.

## **7. COMPLIANCE OF THE ISMS WITH ISO/IEC 27001 AND ISO/IEC 27002**

7.1 The Customer shall be entitled to carry out such security audits as it may reasonably deem necessary in order to ensure that the ISMS maintains compliance with the principles and practices of ISO 27001 and ISO/IEC 27002.

7.2 If, on the basis of evidence provided by such security audits, it is the Customer's reasonable opinion that compliance with the principles and practices of ISO/IEC 27001 or ISO/IEC 27002 is not being achieved by the Supplier, then the Customer shall notify the Supplier of the same and give the Supplier a reasonable time (having regard to the extent and criticality of any non-compliance and any other relevant circumstances) to become compliant with the principles and practices of ISO/IEC 27001 and ISO/IEC 27002. If the Supplier does not become compliant within the required time then the Customer shall have the right to obtain an independent audit against these standards in whole or in part.

7.3 If, as a result of any such independent audit as described in paragraph 7.2 of this Call Off Schedule the Supplier is found to be non-compliant with the principles and practices of ISO/IEC 27001 or ISO/IEC 27002 then the Supplier shall, at its own expense, undertake those actions required in order to achieve the necessary compliance and shall reimburse in full the costs incurred by the Customer in obtaining such audit.

## **8. BREACH OF SECURITY**

8.1 Either Party shall notify the other in accordance with the agreed security incident management process as defined by the ISMS upon becoming aware of any Breach of Security or any potential or attempted Breach of Security.

8.2 Without prejudice to the security incident management process, upon becoming aware of any of the circumstances referred to in paragraph 8.1 of this Call Off Schedule, the Supplier shall:

8.2.1 immediately take all reasonable steps (which shall include any action or changes reasonably required by the Customer) necessary to:

- (a) minimise the extent of actual or potential harm caused by any Breach of Security;
- (b) remedy such Breach of Security or any potential or attempted Breach of Security or protect the integrity of the ISMS against any such Breach of Security or any potential or attempted Breach of Security;
- (c) apply a tested mitigation against any such Breach of Security or attempted Breach of Security and, provided that reasonable testing has been undertaken by the Supplier, if the mitigation adversely affects the Supplier's ability to deliver the Services so as to meet the Service Level Performance Measures, the Supplier shall be granted relief against any resultant under-performance for such period as the Customer, acting reasonably, may specify by written notice to the Supplier;

- (d) prevent a further Breach of Security or any potential or attempted Breach of Security in the future exploiting the same root cause failure;
- (e) supply any requested data to the Customer or the Computer Emergency Response Team for UK Government ("GovCertUK") on the Customer's request within two (2) working days and without charge (where such requests are reasonably related to a possible incident or compromise); and

8.2.2 as soon as reasonably practicable provide to the Customer full details (using such reporting mechanism as defined by the ISMS) of the Breach of Security or the potential or attempted Breach of Security, including a root cause analysis where required by the Customer.

8.3 In the event that any action is taken in response to a breach of Security or potential or attempted Breach of Security that demonstrates non-compliance of the ISMS with the Security Policy or Baseline Security Requirements or the requirements of this Call Off Schedule, then any required change to the ISMS shall be at no cost to the Customer.

## 9. VULNERABILITES AND CORRECTIVE ACTION

9.1 The Customer and the Supplier acknowledge that from time to time vulnerabilities in the ICT Environment will be discovered which unless mitigated will present an unacceptable risk to the Customer's information.

9.2 The severity of threat vulnerabilities for Supplier COTS Software and Third Party COTS Software shall be categorised by the Supplier as 'Critical', 'Important' and 'Other' by aligning these categories to the vulnerability scoring according to the agreed method in the ISMS and using the appropriate vulnerability scoring systems including:

9.2.1 the 'National Vulnerability Database' 'Vulnerability Severity Ratings': 'High', 'Medium' and 'Low' respectively (these in turn are aligned to CVSS scores as set out by NIST <http://nvd.nist.gov/cvss.cfm>); and

9.2.2 Microsoft's 'Security Bulletin Severity Rating System' ratings 'Critical', 'Important', and the two remaining levels ('Moderate' and 'Low') respectively.

9.3 The Supplier shall procure the application of security patches to vulnerabilities within a maximum period from the public release of such patches with those vulnerabilities categorised as 'Critical' within 14 days of release, 'Important' within 30 days of release and all 'Other' within 60 Working Days of release, except where:

9.3.1 the Supplier can demonstrate that a vulnerability is not exploitable within the context of any Service (e.g. because it resides in a software component which is not running in the service) provided vulnerabilities which the Supplier asserts cannot be exploited within the context of a Service must be remedied by the Supplier within the above timescales if the vulnerability becomes exploitable within the context of the Service;

9.3.2 the application of a 'Critical' or 'Important' security patch adversely affects the Supplier's ability to deliver the Services in which case the Supplier shall be granted an extension to such timescales of 5 days, provided the Supplier had followed and continues to follow the security patch test plan agreed with the Customer; or

9.3.3 the Customer agrees a different maximum period after a case-by-case consultation with the Supplier under the processes defined in the ISMS.

9.4 The Supplier Solution and Implementation Plan shall include provisions for major version upgrades of all Supplier COTS Software and Third Party COTS Software to be upgraded within 6 Months of the release of the latest version, such that it is no more than one major version level below the latest release (normally codified as running software no older than the 'n-1 version') throughout the Term unless:

9.4.1 where upgrading such Supplier COTS Software and Third Party COTS Software reduces the level of mitigations for known threats, vulnerabilities or exploitation techniques, provided always that such upgrade is made within 12 Months of release of the latest version ; or

9.4.2 is agreed with the Customer in writing.

9.5 The Supplier shall:

9.5.1 implement a mechanism for receiving, analysing and acting upon threat information supplied by GovCertUK, or any other competent Central Government Body;

9.5.2 ensure that the ICT Environment (to the extent that the ICT Environment is within the control of the Supplier) is monitored to facilitate the detection of anomalous behaviour that would be indicative of system compromise;

9.5.3 ensure it is knowledgeable about the latest trends in threat, vulnerability and exploitation that are relevant to the ICT Environment by actively monitoring the threat landscape during the Call Off Contract Period;

9.5.4 pro-actively scan the ICT Environment (to the extent that the ICT Environment is within the control of the Supplier) for vulnerable components and address discovered vulnerabilities through the processes described in the ISMS as developed under Paragraph 3.3.5;

9.5.5 from the date specified in the Security Management Plan provide a report to the Customer within five (5) Working Days of the end of each Month detailing both patched and outstanding vulnerabilities in the ICT Environment (to the extent that the ICT Environment is within the control of the Supplier) and any elapsed time between the public release date of patches and either time of application or for outstanding vulnerabilities the time of issue of such report;

9.5.6 propose interim mitigation measures to vulnerabilities in the ICT Environment known to be exploitable where a security patch is not immediately available;

9.5.7 remove or disable any extraneous interfaces, services or capabilities that are not needed for the provision of the Services (in order to reduce the attack surface of the ICT Environment); and

9.5.8 inform the Customer when it becomes aware of any new threat, vulnerability or exploitation technique that has the potential to affect the security of the ICT Environment and provide initial indications of possible mitigations.

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Commercial and Contract Management (CCM)  
Directorate

9.6 If the Supplier is unlikely to be able to mitigate the vulnerability within the timescales under this Paragraph 9, the Supplier shall immediately notify the Customer.

9.7 A failure to comply with Paragraph 9.3 shall constitute a Notifiable Default, and the Supplier shall comply with the Rectification Plan Process.

## ANNEX 1: BASELINE SECURITY REQUIREMENTS

### 1. HIGHER CLASSIFICATIONS

- 1.1 The Supplier shall not handle Customer information classified SECRET or TOP SECRET except if there is a specific requirement and in this case prior to receipt of such information the Supplier shall seek additional specific guidance from the Customer.

### 2. END USER DEVICES

- 2.1 When Customer Data resides on a mobile, removable or physically uncontrolled device it must be stored encrypted using a product or system component which has been formally assured through a recognised certification process of the UK Government Communications Electronics Security Group ("CESG") to at least Foundation Grade, for example, under the CESG Commercial Product Assurance scheme ("CPA").
- 2.2 Devices used to access or manage Customer Data and services must be under the management authority of Customer or Supplier and have a minimum set of security policy configuration enforced. These devices must be placed into a 'known good' state prior to being provisioned into the management authority of the Customer. Unless otherwise agreed with the Customer in writing, all Supplier devices are expected to meet the set of security requirements set out in the CESG End User Devices Platform Security Guidance (<https://www.gov.uk/government/collections/end-user-devices-security-guidance--2>). Where the guidance highlights shortcomings in a particular platform the Supplier may wish to use, then these should be discussed with the Customer and a joint decision shall be taken on whether the residual risks are acceptable. Where the Supplier wishes to deviate from the CESG guidance, then this should be agreed in writing on a case by case basis with the Customer.

### 3. DATA PROCESSING, STORAGE, MANAGEMENT AND DESTRUCTION

- 3.1 The Supplier and Customer recognise the need for the Customer's information to be safeguarded under the UK Data Protection regime or a similar regime. To that end, the Supplier must be able to state to the Customer the physical locations in which data may be stored, processed and managed from, and what legal and regulatory frameworks Customer Data will be subject to at all times.
- 3.2 The Supplier shall agree any change in location of data storage, processing and administration with the Customer in advance where the proposed location is outside the UK. Such approval shall not be unreasonably withheld or delayed unless specified otherwise in this Agreement and provided that storage, processing and management of any Customer Data is only carried out offshore within:
- 3.2.1 the European Economic Area (EEA);
  - 3.2.2 in the US if the Supplier and or any relevant Sub-contractor have signed up to the US-EU Safe Harbour Agreement; or
  - 3.2.3 in another country or territory outside the EEA if that country or territory ensures an adequate level of protection by reason of its domestic law or of the international commitments it has entered into which have been defined as adequate by the EU Commission.

- 3.3 The Supplier shall:

- 3.3.1 provide the Customer with all Customer Data on demand in an agreed open format;
- 3.3.2 have documented processes to guarantee availability of Customer Data in the event of the Supplier ceasing to trade;
- 3.3.3 securely destroy all media that has held Customer Data at the end of life of that media in line with Good Industry Practice; and
- 3.3.4 securely erase any or all Customer Data held by the Supplier when requested to do so by the Customer.

#### **4. NETWORKING**

- 4.1 The Customer requires that any Customer Data transmitted over any public network (including the Internet, mobile networks or un-protected enterprise network) or to a mobile device must be encrypted using a product or system component which has been formally assured through a certification process recognised by CESG, to at least Foundation Grade, for example, under CPA or through the use of pan-government accredited encrypted networking services via the Public Sector Network ("PSN") framework (which makes use of Foundation Grade certified products).
- 4.2 The Customer requires that the configuration and use of all networking equipment to provide the Services, including those that are located in secure physical locations, are at least compliant with Good Industry Practice.

#### **5. SECURITY ARCHITECTURES**

- 5.1 The Supplier shall apply the 'principle of least privilege' (the practice of limiting systems, processes and user access to the minimum possible level) to the design and configuration of IT systems which will process or store Customer Data.
- 5.2 When designing and configuring the ICT Environment (to the extent that the ICT Environment is within the control of the Supplier) the Supplier shall follow Good Industry Practice and seek guidance from recognised security professionals with the appropriate skills and/or a CESG Certified Professional certification (<http://www.cesg.gov.uk/awarenesstraining/IA-certification/Pages/index.aspx>) for all bespoke or complex components of the ICT Environment (to the extent that the ICT Environment is within the control of the Supplier).

#### **6. PERSONNEL SECURITY**

- 6.1 Supplier Personnel shall be subject to pre-employment checks that include, as a minimum: identity, unspent criminal convictions and right to work.
- 6.2 The Supplier shall agree on a case by case basis Supplier Personnel roles which require specific government clearances (such as 'SC') including system administrators with privileged access to IT systems which store or process Customer Data.
- 6.3 The Supplier shall prevent Supplier Personnel who are unable to obtain the required security clearances from accessing systems which store, process, or are used to manage Customer Data except where agreed with the Customer in writing.
- 6.4 All Supplier Personnel that have the ability to access Customer Data or systems holding Customer Data shall undergo regular training on secure information

management principles. Unless otherwise agreed with the Customer in writing, this training must be undertaken annually.

- 6.5 Where the Supplier or Sub-Contractors grants increased ICT privileges or access rights to Supplier Personnel, those Supplier Personnel shall be granted only those permissions necessary for them to carry out their duties. When staff no longer need elevated privileges or leave the organisation, their access rights shall be revoked within one (1) Working Day.

## **7. IDENTITY, AUTHENTICATION AND ACCESS CONTROL**

- 7.1 The Supplier shall operate an access control regime to ensure all users and administrators of the ICT Environment (to the extent that the ICT Environment is within the control of the Supplier) are uniquely identified and authenticated when accessing or administering the Services. Applying the 'principle of least privilege', users and administrators shall be allowed access only to those parts of the ICT Environment that they require. The Supplier shall retain an audit record of accesses.

## **8. AUDIT AND MONITORING**

- 8.1 The Supplier shall collect audit records which relate to security events in the systems or that would support the analysis of potential and actual compromises. In order to facilitate effective monitoring and forensic readiness such Supplier audit records should (as a minimum) include:

8.1.1 Logs to facilitate the identification of the specific asset which makes every outbound request external to the ICT Environment (to the extent that the ICT Environment is within the control of the Supplier). To the extent the design of the Services allows such logs shall include those from DHCP servers, HTTP/HTTPS proxy servers, firewalls and routers.

8.1.2 Security events generated in the ICT Environment (to the extent that the ICT Environment is within the control of the Supplier) and shall include: privileged account logon and logoff events, the start and termination of remote access sessions, security alerts from desktops and server operating systems and security alerts from third party security software.

- 8.2 The Supplier and the Customer shall work together to establish any additional audit and monitoring requirements for the ICT Environment.

- 8.3 The Supplier shall retain audit records collected in compliance with this Paragraph 8 for a period of at least 6 Months.

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**ANNEX 2: SECURITY POLICY**

Part B of the Security Policy shall apply to services provided to the Department for Education and Part A of the Security Policy shall apply to services provided to all other bodies.

**PART A**

# Ministry of JUSTICE

## Corporate Security Policy

### Policy Statement

The Ministry of Justice adheres to the HMG Security Policy Framework (SPF) and complies with its mandatory requirements, establishing a clear framework across MOJ for the identification, assessment and management of security risks in a way that:

- Is clear, available and understood by staff and delivery partners
- Is embedded into business plans and processes
- Enables business operations whilst providing protection, and
- Provides a basis for enforcement and assurance
- Complies with relevant legislation

Our security arrangements are designed to

- protect staff and those who use or visit our premises, or provide services on our behalf, from injury or harm;
- protect the Department's property and equipment from loss or damage;
- maintain the confidentiality, availability and integrity of information; and thereby
- enable and maintain service delivery and public confidence.

We will do this by identifying the threats, assessing the associated risks and introducing proportionate protective measures.

### Who does it apply to?

This policy statement establishes the general security framework for the whole of the Ministry of Justice including its agencies and arms length bodies.

Each business area (group, agency or arms length body) must establish arrangements for addressing each element of the Security Policy Framework:

1. Governance and security approaches
  - Roles, accountability and responsibilities
  - Risk management
  - Culture, education and awareness
  - Managing and recovering from incidents
2. Security of Information
  - Information policy
  - Valuing and classifying assets
  - Risk assessment and accreditation of IT systems
  - Technical controls
  - Procedural measures
  - Delivery partners and 3<sup>rd</sup> Party Suppliers

- Managing and reporting security incidents
- 3. Personnel Security
  - Recruitment checks and national security vetting
  - Ongoing personnel security management
  - appeals
- 4. Physical security and counter-terrorism
  - Security risk assessment
  - Internal controls
  - Building and perimeter security
  - Preparing for critical incidents
  - Responding to critical incidents

The SPF is available on the Cabinet Office web-site at:

<http://www.cabinetoffice.gov.uk/resource-library/security-policy-framework>

A schedule describing corporate arrangements for each of these mandatory requirements will be maintained on the MOJ intranet. This framework includes separate policies dealing with:

- information security;
- IT security
- security breach;
- counter-terrorist protective security;
- business continuity; and
- criminal record checking.

The MOJ intranet also provides more detailed guidance on standard procedures for staff.

Agencies and arms length bodies (ALBs) are expected to comply with this corporate framework but may establish their own arrangements tailored to operational needs, and should supplement it with local policy/guidance for any business-specific risk.

Some controls such as those for IT security systems and national security vetting will be managed centrally.

Compliance with SPF is mandatory but where, on an exception basis, business areas consider that a requirement should not apply, or where local arrangements do not comply with the SPF or MOJ arrangements, the variation should be agreed by the relevant Accounting Officer and reported in annual governance processes.

Business areas should also ensure that control requirements are understood and complied with by any contractor or third party entrusted with protectively marked or business critical information and with unsupervised access to our property.

## Counter-Terrorist Protection Policy

This policy should be read in conjunction with the HMG Security Policy Framework, MOJ's corporate security policy, the corporate business continuity policy, and local emergency procedures.

The Ministry of Justice is committed to protecting its staff, visitors, information, buildings and other assets from terrorist attack. The focus will be on prevention but will also provide for effective response. We will achieve this by:

- monitoring and regularly reviewing threats;
- classifying sites according to risk levels;
- implementing baseline security measures appropriate to the threats with arrangements for enhancing protection as the response level increases;
- raising awareness to maintain vigilance and reporting of potential problems;
- ensuring clear allocation of responsibility for implementation of baseline measures, crisis management and business continuity; and
- arranging compliance checking with provision of assurance to the Executive Management Board and Permanent Secretary.

### Roles and responsibilities

The Departmental Security Officer (DSO) will communicate advice on threats, including changes in UK threat assessment and HMG 'response levels' to business areas via their security officers. The DSO will advise the Permanent Secretary of actions taken if there is any change in response level.

Security officers, liaising with estates teams and business representatives, must undertake local risk assessment, checking compliance with baseline standards and determining appropriate levels of protection for sites. These assessments must have regard to the impact on the business/site, informed by assessment of threat, likelihood and vulnerability. Such assessments will normally include consideration of both terrorist and other threats.

### Risk Assessment

All MOJ sites are to be assessed as to whether they are at low, medium or high risk from terrorist attack, using HMG guidelines. Sites assessed as being at moderate risk must assess and document the threat and set out how this is mitigated by site security specification and operational controls. All locations, regardless of assessed level, must have a local Counter-terrorist plan detailing how they will vary operational controls according to changes in the *response level*. The level of operational controls should reflect the risk classification of the site, with "moderate risk" sites requiring more robust arrangements than "low risk" sites. Corporate Security Branch can provide advice on CT Plans to Local Security Officers.

### Protection

Protection against terrorism should be proportionate and include proactive and preventive measures such as patrolling to deter reconnaissance, CCTV monitoring, physical strengthening/stand-off measures, vetting checks, as well as reactive operational measures during periods of heightened response, and emergency response plans that protect people and assets in the event of an attack.

### Incident Response

All business areas/sites must have clear emergency response arrangements to cover the response to direct or indirect impact from a terrorist threat or attack. These arrangements will normally be incorporated within Fire & Incident Control and business continuity

arrangements and should include arrangements for liaising with emergency services and for communicating with staff.

Staff must familiarise themselves with local procedures and comply with any instruction from the Fire & Incident Control Officer.

**Co-ordination**

MOJ's Corporate Business continuity arrangements will be used to co-ordinate across MOJ for events that affect more than one business area. Co-ordination will be supported by the Corporate Security and Business Continuity team who will provide liaison with the Civil Contingencies Secretariat. For incidents having a significant effect on delivery of MOJ's front-line services (courts, tribunals, prisons), the co-ordination role may be taken by the Strategic Co-ordination Group (Gold), chaired by NOMS Gold Commander.

**Personnel security**

Those with access to information or other assets that may be of value to terrorists, including close proximity or access to high profile public figures, should be assessed for the need for national security clearance in accordance with vetting procedures.

**Testing and exercising**

Counter-terrorist plans should be tested periodically. Plans for medium risk sites should be tested at least once every two years and for low risk sites every 3-5 years as part of general business continuity testing and exercising.

**Assurance**

Assurance of the adequacy of arrangements and compliance with this policy will be covered by the annual Governance Statement, supplemented by SRMO compliance returns and periodic review of risk and contingency arrangements by management teams.

## **Information Security Policy**

Information security supports the preservation of the confidentiality, integrity and availability of information:

- Confidentiality: Ensuring information is only accessible by those authorised to have access;
- Integrity: Safeguarding the accuracy and completeness of information and processing methods;
- Availability: Ensuring that authorised users have access to information and associated assets when required.

The Ministry of Justice regards the protection of its information as vital in order to meet its key objectives, in maintaining public and supplier confidence that the information we hold will be kept secure, to ensure the continuity of government services and systems, and to ensure that we contribute to the effectiveness of arrangements for maintaining the security of shared systems such as the Government Secure Intranet.

The Ministry of Justice recognises the importance of complying with the statutory requirement for information security in order to protect those who entrust their information, including sensitive personal data to us and protect its reputation with the public, the judiciary, other public sector organisations and voluntary and private sector organisations. The Ministry of Justice aims to be exemplary in complying with the Human Rights Act 1998, the Data Protection Act 1998 and the Freedom of Information Act 2000, for which it is the lead department.

To this end the Ministry of Justice is committed to achieving best practice in the way we manage information security by complying with the mandatory requirements relating to information security and assurance contained in the Security Policy Framework and supporting HMG Information Assurance Standards.

Our approach to Information Assurance will be based on the ownership of information risks by Information Asset Owners within the business. It is not the sole responsibility of central service providers (IT Services and IT suppliers) though these will play their part in delivering the required security where this is best done centrally, or by security staff, whose role is to provide advice. The Ministry of Justice will aim to realise the benefits of a business oriented approach to information security in terms of informed decision making, resource savings, efficiency and reputation. A member of the Executive Management Board is designated as Ministry of Justice's Senior Information Risk Owner (SIRO).

This high level policy statement is supported by a suite of policies on various aspects of IT and information security.

**PART B**

## Introduction

The Department for Education is required to protect all of its assets required for the effective conduct of its business. People, property and information are considered to be Departmental assets.

## Objectives and Scope

Protective security is provided through the implementation of a range of policies and procedures (some of which are governed by legislation). They are in place to manage the preservation of assets as part of the delivery of business processes. Examples of protective security policies/procedures are:

- IT security policy
- Health and Safety policy (including fire and bomb instructions)
- HR recruitment procedures (including pre-employment checks on prospective employees to ensure their suitability)
- National Security Vetting procedures (ensuring that individuals handling sensitive information are reliable)
- Business Continuity plans (to provide a framework for the recovery of critical functions in the event of a crisis)

This list is not exhaustive.

## Protective Security Policy

Protective security policies must address the relevance, the level and nature of threats to which assets are exposed. To ensure that assets are protected against compromise it is important that any protective security policy or practice meets the following objectives:

- take into account existing legislation including the Freedom of Information Act
- is based on a risk assessment approach
- deals with the prevailing threats
- adds value by reducing the risks to assets
- is effectively coordinated and complimentary to existing controls to protect against other types of threat
- is incremental, i.e. applies security controls proportionate to the value of the assets involved
- is just, open and reasonable, where they impinge on the lives of employees
- is credible and workable, user-friendly, understood, respected and supported by all individuals required to use them
- is cost effective and responsive to the needs of the organisation, and not any more intrusive to on-going business and operations than is necessary
- reflects the 'need to know' principle (i.e. information is not shared wider than is necessary in order to protect the security of that information or the assets to which it refers).

**Introduction**

The Department for Education is a complex organisation with a wide range of services to deliver. Each of these services requires an appropriate level of resilience to be implemented so that they can continue to be delivered even in the event of a significant disruption. Some services may need to be restored within a few hours whilst some can be delayed for a few weeks.

**Policy Scope**

This policy applies to the whole of the Department for Education and its Executive Agencies across all sites.

The policy does not apply to the wider Education sector, such as Department for Education sponsored Arm's Length Bodies (ALBs), schools or external third parties, such as other government departments (OGDs) or private companies that provide a service to the Department. However, the Department is required to seek assurance that ALBs (such as Ofsted) and third party suppliers have effective Business Continuity plans in place to maintain services contracted out to them.

**Policy Objectives**

The Permanent Secretary fully supports the commitment to a business continuity management system (BCMS). This policy outlines how the BCMS will be developed, implemented, maintained and reviewed.

The implementation of this policy will enable the department to meet its <sup>1</sup>Security Policy Framework commitments and ensure that the organisation can continue to deliver its business critical services within an acceptable timeframe following a disruption.

The department will develop, implement, maintain and review a BCMS by:

- ensuring that business continuity roles and responsibilities are clearly defined and staff equipped to fulfil them;
- ensuring there are effective arrangements in place to identify and mitigate business continuity threats and risks to critical assets including: people, information, IT, premises and equipment;
- ensuring that adequate and proportionate crisis management, incident management and business recovery arrangements and plans are in place to respond to and recover from incidents;
- developing suitable business continuity plans for business critical processes;
- regularly reviewing continuity requirements and plans to ensure that they reflect the current needs of the department;
- conducting regular testing/exercising and maintenance of the recovery arrangements and business continuity plans in accordance with agreed exercising and maintenance schedules;
- providing appropriate levels of training and awareness for staff, especially for those with business continuity responsibilities;
- ensuring that an appropriate level of staff resource is in place to effectively manage the BCMS and ensure the arrangements remain fit-for-purpose; and
- ensuring regular meetings between subject matter experts to continually develop and implement a proven capability to manage and recover from disruptions

The BCM Policy is owned by the Departmental Security Officer and approved by the Permanent Secretary. It is reviewed by the Departmental Security Unit annually.

<sup>1</sup>Mandatory Requirement 4 [Managing and recovering from incidents] of the [Cabinet Office Security Policy Framework](#)

## Roles and Responsibilities

See the [business continuity roles and responsibilities page](#)

### All staff should:

- familiarise themselves with their Directorate's planned response to an incident or disruption (the Business Continuity Plan, or BCP); and
- be aware that they may be asked to play a role in the response should the BCP need to be invoked and ensure they know what this role will be.

### Business Continuity Roles

Key staff and teams within the Department have specific business continuity (BC) roles and responsibilities. These are detailed below:

As the Accounting Officer, the **Permanent Secretary** has overall responsibility for BCM within the Department for Education. During incidents that cause disruption to departmental business, the Permanent Secretary chairs the **Gold Team** the crisis management team that provides the strategic direction for business recovery.

Each **Director General** is responsible for ensuring that their Directorate has a BCP in place that is regularly maintained and exercised at least annually, and must sign off their Directorate plan after any updates. Along with the Permanent Secretary, Director Generals are members of the Gold Team and provide the strategic direction for business recovery during incidents.

Additional Gold Team members:

- Director, Finance and Commercial - responsible for finance matters and corporate services
- Director, People and Change - responsible all internal comms and staff welfare activity;
- Director, Strategy, Performance and Private Office - responsible for managing the impact of an incident on departmental strategy, overseeing communications with the public and ensuring Ministers are accounted for and able to continue their activities (supported by the Principal Private Secretary)
- Chief Executive, Education Funding Agency - responsible for delivery matters (funding)
- Head of News - responsible for public relations activity during an incident and managing the Press

### Directors and Deputy Directors

Directors and Deputy Directors must ensure that the critical functions of their Group/Division are included in the Directorate BCP and that arrangements are implemented within their Group/Division to recover those functions. Directors and Deputy Directors must also ensure that their staff are aware of and are rehearsed in the Directorate's response and that arrangements are in place to account for staff during incidents (e.g. staff registers and phone trees).

**BC Coordinators** for each Directorate have been nominated by Director Generals. The role of the BC Coordinator is to coordinate planning activities on behalf of the Director General and to liaise with Directors and Deputy Directors to update/maintain plans. The BC Coordinator is also responsible for coordinating testing and awareness/training for their Directorate.

**Heads of Site** are responsible for ensuring that incident management arrangements are implemented at their respective locations. During an incident, the Head of Site takes on the role of **Silver Recovery Manager** and manages the incident affecting their site.

As the Silver Recovery Manager, the Head of Site will liaise with the Emergency Services, Property Asset Management Unit (PAMU), People and Change (PaC), the Internal Comms and News teams and IT

Group to manage the incident and will provide liaison between the business (Directorates) and the incident management activities of **Bronze Teams** to facilitate recovery. The Silver Recovery Manager also provides status reports to the Gold Team.

The **Core Emergency Response Group** (CERG) has responsibility for planning and leading the Departmental response to incidents which affect the schools and children's services. CERG is formed whenever there is an incident which impacts on the sector. Depending on the type of incident, CERG is made up of representatives from policy areas, Comms (Internal and News) teams, IT Group and the Departmental Security Unit (DSU) as required.

The role of **Human Resources** (HR) is to ensure staff receive timely communications about the incident, prepare policies on staff arrangements during incidents e.g. special leave, counselling/welfare, pay etc, and to assist with staff welfare activity at sites that are affected.

**IT Group** is responsible for IT Disaster Recovery planning that supports business requirements. During incidents, IT Group staff are responsible for maintaining or recovering the IT services.

**Finance Group** has responsibility for the policy on emergency funding and advise the Gold Team and/or Silver Recovery Manager on financial issues resulting from incidents.

The role of **Property Asset Management Unit** (PAMU) is to implement incident management planning arrangements at their respective locations and to manage any incidents affecting the Department's buildings e.g. power cuts, air-con failure, leaks etc. With Health and Safety colleagues, PAMU also has a responsibility to ensure safe evacuation and assembly of staff and to consider staff safety during incidents.

The **Departmental Security Officer** (DSO) has overall responsibility for the Business Continuity programme within Department for Education and is accountable to the Permanent Secretary. The DSO is supported by the **Business Continuity Team** (BCT): the Business Continuity Team Leader (BCTL) and the Business Continuity Manager (BCM). The BCT is part of the **Departmental Security Unit** (DSU), which is a shared service covering both DfE and the Department for Communities and Local Government (DCLG). The BCTL supports the DSO in providing leadership and direction on business continuity matters across the departments. The BCM co-ordinates all business continuity planning work, including drafting high-level documentation e.g. policy, strategy, plan templates and exercise programmes. The BC Team are also responsible for managing the training and awareness programme across the organisations providing proportionate and appropriate training for staff with BCM, Crisis Management and Incident Management responsibilities and BCM awareness for all staff.

#### Departmental Security Unit (DSU) - Business Continuity Team

Business Continuity Team Leader  
Business Continuity Manager

REDACTED  
REDACTED

REDACTED  
REDACTED

#### Business Continuity Coordinators

Each Directorate and Executive Agency has a nominated contact for their business continuity planning matters. Listed below are the contact details for the BC Coordinators for each Directorate and Agency:

Children's Services and Departmental Strategy Directorate  
Education Standards Directorate  
Infrastructure and Funding Directorate  
Finance and Commercial Group  
Legal Advisors Office  
Private Office  
National College for Teaching and Leadership (NCTL)  
Education Funding Agency (EFA)  
Standards Testing Agency (STA)

REDACTED	REDACTED
REDACTED	REDACTED
REDACTED	REDACTED
REDACTED	REDACTED
REDACTED	REDACTED
REDACTED	REDACTED
REDACTED	REDACTED
REDACTED	REDACTED
REDACTED	REDACTED

**OFFICIAL**

Future FM Project

Commercial and Contract Management (CCM)  
Directorate

**ANNEX 3: SECURITY MANAGEMENT PLAN**

1. The Security Management Plan is to be provided by the Supplier during mobilisation, within 20 days of the Call Off Commencement Date, in accordance with Clause 4 of this Call Off Schedule 8.

**CALL OFF SCHEDULE 9: SUPPLIER SOFTWARE, CUSTOMER SOFTWARE AND  
THIRD PARTY SOFTWARE**

**1. SUPPLIER SOFTWARE**

FSI's Concept Evolution - CAFM system

Microsoft's SharePoint – Document Management system and main portal for Dashboards and reports

Microsoft's Business Intelligence – Reporting tool

Microsoft's SQL Server – Database for Concept Evolution and SharePoint.

**2. THIRD PARTY SOFTWARE**

Asset 55 Bespoke asset Capture Software

Kykloud Software

**3. CUSTOMER SOFTWARE**

None

**4. ESCROWED MATERIAL**

None

**5. ESCROW AGREEMENT**

Not applicable

**CALL OFF SCHEDULE 10: BUSINESS CONTINUITY AND DISASTER RECOVERY****1. DEFINITIONS**

1.1 In this Call Off Schedule 10, the following definitions shall apply:

<b>"Business Continuity Plan"</b>	has the meaning given to it in paragraph 2.2.1(b) of this Call Off Schedule;
<b>"Disaster Recovery Plan"</b>	has the meaning given to it in 2.2.1(c) of this Call Off Schedule;
<b>"Disaster Recovery System"</b>	means the system embodied in the processes and procedures for restoring the provision of Services following the occurrence of a disaster;
<b>"Review Report"</b>	has the meaning given to it in paragraph 6.2 of this Call Off Schedule;
<b>"Supplier's Proposals"</b>	has the meaning given to it in paragraph 6.2.3 of this Call Off Schedule;

**2. BCDR PLAN**

2.1 Within sixty (60) Working Days from the Call Off Commencement Date the Supplier shall prepare and deliver to the Customer for the Customer's written approval a draft plan, which shall detail the processes and arrangements that the Supplier shall follow to ensure:

2.1.1 continuity of the business processes and operations supported by the Services following any failure or disruption of any element of the Services; and

2.1.2 the recovery of the Services in the event of a Disaster.

2.2 The BCDR Plan shall:

2.2.1 be divided into three parts:

- (a) Part A which shall set out general principles applicable to the BCDR Plan;
- (b) Part B which shall relate to business continuity (the **"Business Continuity Plan"**); and
- (c) Part C which shall relate to disaster recovery (the **"Disaster Recovery Plan"**); and

2.2.2 unless otherwise required by the Customer in writing, be based upon and be consistent with the provisions of paragraphs 3, 4 and 5.

2.3 Following receipt of the draft BCDR Plan from the Supplier, the Customer shall:

2.3.1 review and comment on the draft BCDR Plan as soon as reasonably practicable; and

2.3.2 notify the Supplier in writing that it approves or rejects the draft BCDR Plan no later than twenty (20) Working Days after the date on which the draft BCDR Plan is first delivered to the Customer.

2.4 If the Customer rejects the draft BCDR Plan:

2.4.1 the Customer shall inform the Supplier in writing of its reasons for its rejection; and

2.4.2 the Supplier shall then revise the draft BCDR Plan (taking reasonable account of the Customer's comments) and shall re-submit a revised draft BCDR Plan to the Customer for the Customer's approval within twenty (20) Working Days of the date of the Customer's notice of rejection. The provisions of paragraphs 2.3 and 2.4 of this Call Off Schedule shall apply again to any resubmitted draft BCDR Plan, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time;

2.4.3 the draft BCDR Plan shall upon acceptance by the Customer become the BCDR Plan

### 3. **PART A OF THE BCDR PLAN AND GENERAL PRINCIPLES AND REQUIREMENTS**

3.1 Part A of the BCDR Plan shall:

3.1.1 set out how the business continuity and disaster recovery elements of the BCDR Plan link to each other;

3.1.2 provide details of how the invocation of any element of the BCDR Plan may impact upon the operation of the provision of the Services and any Services provided to the Customer by a Related Supplier;

3.1.3 contain an obligation upon the Supplier to liaise with the Customer and (at the Customer's request) any Related Suppliers with respect to issues concerning business continuity and disaster recovery where applicable;

3.1.4 detail how the BCDR Plan links and interoperates with any overarching and/or connected disaster recovery or business continuity plan of the Customer and any of its other Related Supplier in each case as notified to the Supplier by the Customer from time to time;

3.1.5 contain a communication strategy including details of an incident and problem management service and advice and help desk facility which can be accessed via multi-channels (including but without limitation a web-site (with FAQs), e-mail, phone and fax) for both portable and desk top configurations, where required by the Customer;

3.1.6 contain a risk analysis, including:

- (a) failure or disruption scenarios and assessments and estimates of frequency of occurrence;
- (b) identification of any single points of failure within the provision of Services and processes for managing the risks arising therefrom;
- (c) identification of risks arising from the interaction of the provision of Services and with the Services provided by a Related Supplier; and
- (d) a business impact analysis (detailing the impact on business processes and operations) of different anticipated failures or disruptions;

3.1.7 provide for documentation of processes, including business processes, and procedures;

- 3.1.8 set out key contact details (including roles and responsibilities) for the Supplier (and any Sub-Contractors) and for the Customer;
  - 3.1.9 identify the procedures for reverting to “normal service”;
  - 3.1.10 set out method(s) of recovering or updating data collected (or which ought to have been collected) during a failure or disruption to ensure that there is no more than the accepted amount of data loss and to preserve data integrity;
  - 3.1.11 identify the responsibilities (if any) that the Customer has agreed it will assume in the event of the invocation of the BCDR Plan; and
  - 3.1.12 provide for the provision of technical advice and assistance to key contacts at the Customer as notified by the Customer from time to time to inform decisions in support of the Customer’s business continuity plans.
- 3.2 The BCDR Plan shall be designed so as to ensure that:
- 3.2.1 the Services are provided in accordance with this Call Off Contract at all times during and after the invocation of the BCDR Plan;
  - 3.2.2 the adverse impact of any Disaster, service failure, or disruption on the operations of the Customer is minimal as far as reasonably possible;
  - 3.2.3 it complies with the relevant provisions of ISO/IEC 27002 and all other industry standards from time to time in force; and
  - 3.2.4 there is a process for the management of disaster recovery testing detailed in the BCDR Plan.
- 3.3 The BCDR Plan shall be upgradeable and sufficiently flexible to support any changes to the Services or to the business processes facilitated by and the business operations supported by the provision of Services.
- 3.4 The Supplier shall not be entitled to any relief from its obligations under the Service Levels or KPIs to any increase in the Call Off Contract Charges to the extent that a Disaster occurs as a consequence of any breach by the Supplier of this Call Off Contract.

#### **4. BUSINESS CONTINUITY PLAN - PRINCIPLES AND CONTENTS**

- 4.1 The Business Continuity Plan shall set out the arrangements that are to be invoked to ensure that the business processes and operations facilitated by the provision of Services remain supported and to ensure continuity of the business operations supported by the Services including, unless the Customer expressly states otherwise in writing:
  - 4.1.1 the alternative processes (including business processes), options and responsibilities that may be adopted in the event of a failure in or disruption to the provision of Services; and
  - 4.1.2 the steps to be taken by the Supplier upon resumption of the provision of Services in order to address any prevailing effect of the failure or disruption including a root cause analysis of the failure or disruption.
- 4.2 The Business Continuity Plan shall:
  - 4.2.1 address the various possible levels of failures of or disruptions to the provision of Services;

4.2.2 set out the Services to be provided and the steps to be taken to remedy the different levels of failures of and disruption to the Services (such goods, services and steps, the “**Business Continuity Services**”);

4.2.3 specify any applicable Service Levels and KPIs with respect to the provision of the Business Continuity Services and details of any agreed relaxation to the Service Levels and KPIs in respect of the provision of other Services during any period of invocation of the Business Continuity Plan; and

4.2.4 clearly set out the conditions and/or circumstances under which the Business Continuity Plan is invoked.

## 5. **DISASTER RECOVERY PLAN - PRINCIPLES AND CONTENTS**

5.1 The Disaster Recovery Plan shall be designed so as to ensure that upon the occurrence of a Disaster the Supplier ensures continuity of the business operations of the Customer supported by the Services following any Disaster or during any period of service failure or disruption with, as far as reasonably possible, minimal adverse impact.

5.2 The Disaster Recovery Plan shall be invoked only upon the occurrence of a Disaster.

5.3 The Disaster Recovery Plan shall include the following:

5.3.1 the technical design and build specification of the Disaster Recovery System;

5.3.2 details of the procedures and processes to be put in place by the Supplier in relation to the Disaster Recovery System and the provision of the Disaster Recovery Services and any testing of the same including but not limited to the following:

- (a) data centre and disaster recovery site audits;
- (b) backup methodology and details of the Supplier's approach to data back-up and data verification;
- (c) identification of all potential disaster scenarios;
- (d) risk analysis;
- (e) documentation of processes and procedures;
- (f) hardware configuration details;
- (g) network planning including details of all relevant data networks and communication links;
- (h) invocation rules;
- (i) service recovery procedures; and
- (j) steps to be taken upon resumption of the provision of Services to address any prevailing effect of the failure or disruption of the provision of Services;

5.3.3 any applicable Service Levels and KPIs with respect to the provision of the Disaster Recovery Services and details of any agreed relaxation to the Service Levels and KPIs in respect of the provision of other Services during any period of invocation of the Disaster Recovery Plan;

5.3.4 details of how the Supplier shall ensure compliance with security standards ensuring that compliance is maintained for any period during which the Disaster Recovery Plan is invoked;

5.3.5 access controls to any disaster recovery sites used by the Supplier in relation to its obligations pursuant to this Schedule; and

5.3.6 testing and management arrangements.

## 6. REVIEW AND AMENDMENT OF THE BCDR PLAN

6.1 The Supplier shall review the BCDR Plan (and the risk analysis on which it is based):

6.1.1 on a regular basis and as a minimum once every six (6) months;

6.1.2 within three calendar months of the BCDR Plan (or any part) having been invoked pursuant to paragraph 7; and

6.1.3 where the Customer requests any additional reviews (over and above those provided for in paragraphs 6.1.1 and 6.1.2 of this Call Off Schedule) by notifying the Supplier to such effect in writing, whereupon the Supplier shall conduct such reviews in accordance with the Customer's written requirements. Prior to starting its review, the Supplier shall provide an accurate written estimate of the total costs payable by the Customer for the Customer's approval. The costs of both Parties of any such additional reviews shall be met by the Customer except that the Supplier shall not be entitled to charge the Customer for any costs that it may incur above any estimate without the Customer's prior written approval.

6.2 Each review of the BCDR Plan pursuant to paragraph 6.1 of this Call off Schedule shall be a review of the procedures and methodologies set out in the BCDR Plan and shall assess their suitability having regard to any change to the Services or any underlying business processes and operations facilitated by or supported by the Services which have taken place since the later of the original approval of the BCDR Plan or the last review of the BCDR Plan and shall also have regard to any occurrence of any event since that date (or the likelihood of any such event taking place in the foreseeable future) which may increase the likelihood of the need to invoke the BCDR Plan. The review shall be completed by the Supplier within the period required by the BCDR Plan or, if no such period is required, within such period as the Customer shall reasonably require. The Supplier shall, within twenty (20) Working Days of the conclusion of each such review of the BCDR Plan, provide to the Customer a report (a "**Review Report**") setting out:

6.2.1 the findings of the review;

6.2.2 any changes in the risk profile associated with the provision of Services; and

6.2.3 the Supplier's proposals (the "**Supplier's Proposals**") for addressing any changes in the risk profile and its proposals for amendments to the BCDR Plan following the review detailing the impact (if any and to the extent that the Supplier can reasonably be expected to be aware of the same) that the implementation of such proposals may have on any goods, services or systems provided by a third party.

6.3 Following receipt of the Review Report and the Supplier's Proposals, the Customer shall:

6.3.1 review and comment on the Review Report and the Supplier's Proposals as soon as reasonably practicable; and

6.3.2 notify the Supplier in writing that it approves or rejects the Review Report and the Supplier's Proposals no later than twenty (20) Working Days after the date on which they are first delivered to the Customer.

6.4 If the Customer rejects the Review Report and/or the Supplier's Proposals:

6.4.1 the Customer shall inform the Supplier in writing of its reasons for its rejection; and

6.4.2 the Supplier shall then revise the Review Report and/or the Supplier's Proposals as the case may be (taking reasonable account of the Customer's comments and carrying out any necessary actions in connection with the revision) and shall re-submit a revised Review Report and/or revised Supplier's Proposals to the Customer for the Customer's approval within twenty (20) Working Days of the date of the Customer's notice of rejection. The provisions of paragraphs 6.3 and 6.4 of this Call Off Schedule shall apply again to any resubmitted Review Report and Supplier's Proposals, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

6.5 The Supplier shall as soon as is reasonably practicable after receiving the Customer's approval of the Supplier's Proposals (having regard to the significance of any risks highlighted in the Review Report) effect any change in its practices or procedures necessary so as to give effect to the Supplier's Proposals. Any such change shall be at the Supplier's expense unless it can be reasonably shown that the changes are required because of a material change to the risk profile of the Services.

## **7. TESTING OF THE BCDR PLAN**

7.1 The Supplier shall test the BCDR Plan on a regular basis (and in any event not less than once in every Contract Year). Subject to paragraph 7.2 of this Call Off Schedule, the Customer may require the Supplier to conduct additional tests of some or all aspects of the BCDR Plan at any time where the Customer considers it necessary, including where there has been any change to the Services or any underlying business processes, or on the occurrence of any event which may increase the likelihood of the need to implement the BCDR Plan.

7.2 If the Customer requires an additional test of the BCDR Plan, it shall give the Supplier written notice and the Supplier shall conduct the test in accordance with the Customer's requirements and the relevant provisions of the BCDR Plan. The Supplier's costs of the additional test shall be borne by the Customer unless the BCDR Plan fails the additional test in which case the Supplier's costs of that failed test shall be borne by the Supplier.

7.3 The Supplier shall undertake and manage testing of the BCDR Plan in full consultation with the Customer and shall liaise with the Customer in respect of the planning, performance, and review, of each test, and shall comply with the reasonable requirements of the Customer in this regard. Each test shall be carried out under the supervision of the Customer or its nominee.

7.4 The Supplier shall ensure that any use by it or any Sub-Contractor of "live" data in such testing is first approved with the Customer. Copies of live test data used in any such testing shall be (if so required by the Customer) destroyed or returned to the Customer on completion of the test.

7.5 The Supplier shall, within twenty (20) Working Days of the conclusion of each test, provide to the Customer a report setting out:

7.5.1 the outcome of the test;

7.5.2 any failures in the BCDR Plan (including the BCDR Plan's procedures) revealed by the test; and

7.5.3 the Supplier's proposals for remedying any such failures.

7.6 Following each test, the Supplier shall take all measures requested by the Customer, (including requests for the re-testing of the BCDR Plan) to remedy any failures in the BCDR Plan and such remedial activity and re-testing shall be completed by the Supplier, at no additional cost to the Customer, by the date reasonably required by the Customer and set out in such notice.

7.7 For the avoidance of doubt, the carrying out of a test of the BCDR Plan (including a test of the BCDR Plan's procedures) shall not relieve the Supplier of any of its obligations under this Call Off Contract.

7.8 The Supplier shall also perform a test of the BCDR Plan in the event of any major reconfiguration of the Services or as otherwise reasonably requested by the Customer.

## **8. INVOCATION OF THE BCDR PLAN**

8.1 In the event of a complete loss of service or in the event of a Disaster, the Supplier shall immediately invoke the BCDR Plan (and shall inform the Customer promptly of such invocation). In all other instances the Supplier shall invoke or test the BCDR Plan only with the prior consent of the Customer.

**CALL OFF SCHEDULE 11: EXIT MANAGEMENT****1. DEFINITIONS**

1.1 In this Call Off Schedule, the following definitions shall apply:

<b>"Exclusive Assets"</b>	means those Supplier Assets used by the Supplier or a Key Sub-Contractor which are used exclusively in the provision of the Services;
<b>"Exit Information"</b>	has the meaning given to it in paragraph 4.1 of this Call Off Schedule;
<b>"Exit Manager"</b>	means the person appointed by each Party pursuant to paragraph 3.4 of this Call Off Schedule for managing the Parties' respective obligations under this Call Off Schedule;
<b>"Net Book Value"</b>	means the net book value of the relevant Supplier Asset(s) calculated in accordance with the depreciation policy of the Supplier set out in the letter in the agreed form from the Supplier to the Customer of even date with this Call Off Contract;
<b>"Non-Exclusive Assets"</b>	means those Supplier Assets (if any) which are used by the Supplier or a Key Sub-Contractor in connection with the Services but which are also used by the Supplier or Key Sub-Contractor for other purposes;
<b>"Registers"</b>	means the register and configuration database referred to in paragraphs 3.1.1 and 3.1.2 of this Call Off Schedule;
<b>"Termination Assistance"</b>	means the activities to be performed by the Supplier pursuant to the Exit Plan, and any other assistance required by the Customer pursuant to the Termination Assistance Notice;
<b>"Termination Assistance Notice"</b>	has the meaning given to it in paragraph 6.1 of this Call Off Schedule;
<b>"Termination Assistance Period"</b>	means in relation to a Termination Assistance Notice, the period specified in the Termination Assistance Notice for which the Supplier is required to provide the Termination Assistance as such period may be extended pursuant to paragraph 6.2 of this Call Off Schedule;
<b>"Transferable Assets"</b>	means those of the Exclusive Assets which are capable of legal transfer to the Customer;
<b>"Transferable Contracts"</b>	means the Sub-Contracts, licences for Supplier's Software, licences for Third Party Software or other agreements which

are necessary to enable the Customer or any Replacement Supplier to perform the Services and/or Replacement Services, including in relation to licences all relevant Documentation;

**"Transferring Assets"**

has the meaning given to it in paragraph 9.2.1 of this Call Off Schedule;

**"Transferring Contracts"**

has the meaning given to it in paragraph 9.2.3 of this Call Off Schedule.

**2. INTRODUCTION**

2.1 This Call Off Schedule describes provisions that should be included in the Exit Plan, the duties and responsibilities of the Supplier to the Customer leading up to and covering the Call Off Expiry Date and the transfer of service provision to the Customer and/or a Replacement Supplier.

2.2 The objectives of the exit planning and service transfer arrangements are to ensure a smooth transition of the availability of the Services from the Supplier to the Customer and/or a Replacement Supplier at the Call Off Expiry Date.

**3. OBLIGATIONS DURING THE CALL OFF CONTRACT PERIOD TO FACILITATE EXIT**

3.1 During the Call Off Contract Period, the Supplier shall:

3.1.1 create and maintain a Register of all:

(a) Supplier Assets, detailing their:

- (i) make, model and asset number;
- (ii) ownership and status as either Exclusive Assets or Non-Exclusive Assets;
- (iii) Net Book Value;
- (iv) condition and physical location; and
- (v) use (including technical specifications); and

(b) Sub-Contracts and other relevant agreements (including relevant software licences, maintenance and support agreements and equipment rental and lease agreements) required for the performance of the Services;

3.1.2 create and maintain a configuration database detailing the technical infrastructure and operating procedures through which the Supplier provides the Services, which shall contain sufficient detail to permit the Customer and/or Replacement Supplier to understand how the Supplier provides the Services and to enable the smooth transition of the Services with the minimum of disruption;

3.1.3 agree the format of the Registers with the Customer as part of the process of agreeing the Exit Plan; and

3.1.4 at all times keep the Registers up to date, in particular in the event that Assets, Sub-Contracts or other relevant agreements are added to or removed from the Services.

3.2 The Supplier shall:

3.2.1 procure that all Exclusive Assets listed in the Registers are clearly marked to identify that they are exclusively used for the provision of the Services under this Call Off Contract; and

3.2.2 (unless otherwise agreed by the Customer in writing) procure that all licences for Third Party Software and all Sub-Contracts shall be assignable and/or capable of novation at the request of the Customer to the Customer (and/or its nominee) and/or any Replacement Supplier upon the Supplier ceasing to provide the Services (or part of them) without restriction (including any need to obtain any consent or approval) or payment by the Customer.

3.3 Where the Supplier is unable to procure that any Sub-Contract or other agreement referred to in paragraph 3.2.2 of this Call Off Schedule which the Supplier proposes to enter into after the Call Off Commencement Date is assignable and/or capable of novation to the Customer (and/or its nominee) and/or any Replacement Supplier without restriction or payment, the Supplier shall promptly notify the Customer of this and the Parties shall (acting reasonably and without undue delay) discuss the appropriate action to be taken which, where the Customer so directs, may include the Supplier seeking an alternative Sub-Contractor or provider of Services to which the relevant agreement relates.

3.4 Each Party shall appoint a person for the purposes of managing the Parties' respective obligations under this Call Off Schedule and provide written notification of such appointment to the other Party within three (3) Months of the Call Off Commencement Date. The Supplier's Exit Manager shall be responsible for ensuring that the Supplier and its employees, agents and Sub-Contractors comply with this Call Off Schedule. The Supplier shall ensure that its Exit Manager has the requisite Authority to arrange and procure any resources of the Supplier as are reasonably necessary to enable the Supplier to comply with the requirements set out in this Call Off Schedule. The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the termination of this Call Off Contract and all matters connected with this Call Off Schedule and each Party's compliance with it.

#### **4. OBLIGATIONS TO ASSIST ON RE-TENDERING OF SERVICES**

4.1 On reasonable notice at any point during the Call Off Contract Period, the Supplier shall provide to the Customer and/or its potential Replacement Suppliers (subject to the potential Replacement Suppliers entering into reasonable written confidentiality undertakings), the following material and information in order to facilitate the preparation by the Customer of any invitation to tender and/or to facilitate any potential Replacement Suppliers undertaking due diligence:

4.1.1 details of the Service(s);

4.1.2 a copy of the Registers, updated by the Supplier up to the date of delivery of such Registers;

4.1.3 an inventory of Customer Data in the Supplier's possession or control;

4.1.4 details of any key terms of any third party contracts and licences, particularly as regards charges, termination, assignment and novation;

4.1.5 a list of on-going and/or threatened disputes in relation to the provision of the Services;

4.1.6 all information relating to Transferring Supplier Employees required to be provided by the Supplier under this Call Off Contract; and

- 4.1.7 such other material and information as the Customer shall reasonably require, (together, the "Exit Information").
- 4.2 The Supplier acknowledges that the Customer may disclose the Supplier's Confidential Information to an actual or prospective Replacement Supplier or any third party whom the Customer is considering engaging to the extent that such disclosure is necessary in connection with such engagement (except that the Customer may not under this paragraph 4.2 of this Call Off Schedule disclose any Supplier's Confidential Information which is information relating to the Supplier's or its Sub-Contractors' prices or costs).
- 4.3 The Supplier shall:
- 4.3.1 notify the Customer within five (5) Working Days of any material change to the Exit Information which may adversely impact upon the provision of any Services and shall consult with the Customer regarding such proposed material changes; and
  - 4.3.2 provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and in any event within ten (10) Working Days of a request in writing from the Customer.
- 4.4 The Supplier may charge the Customer for its reasonable additional costs to the extent the Customer requests more than four (4) updates in any six (6) Month period.
- 4.5 The Exit Information shall be accurate and complete in all material respects and the level of detail to be provided by the Supplier shall be such as would be reasonably necessary to enable a third party to:
- 4.5.1 prepare an informed offer for those Services; and
  - 4.5.2 not be disadvantaged in any subsequent procurement process compared to the Supplier (if the Supplier is invited to participate).

## **5. EXIT PLAN**

- 5.1 The Supplier shall, within three (3) Months after the Call Off Commencement Date, deliver to the Customer an Exit Plan which:
- 5.1.1 sets out the Supplier's proposed methodology for achieving an orderly transition of the Services from the Supplier to the Customer and/or its Replacement Supplier on the expiry or termination of this Call Off Contract;
  - 5.1.2 complies with the requirements set out in paragraph 5.3 of this Call Off Schedule;
  - 5.1.3 is otherwise reasonably satisfactory to the Customer.
- 5.2 The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within twenty (20) Working Days of its submission, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.
- 5.3 Unless otherwise specified by the Customer or Approved, the Exit Plan shall set out, as a minimum:
- 5.3.1 how the Exit Information is obtained;
  - 5.3.2 the management structure to be employed during both transfer and cessation of the Services;

- 5.3.3 the management structure to be employed during the Termination Assistance Period;
- 5.3.4 a detailed description of both the transfer and cessation processes, including a timetable;
- 5.3.5 how the Services will transfer to the Replacement Supplier and/or the Customer, including details of the processes, documentation, data transfer, systems migration, security and the segregation of the Customer's technology components from any technology components operated by the Supplier or its Sub-Contractors (where applicable);
- 5.3.6 details of contracts (if any) which will be available for transfer to the Customer and/or the Replacement Supplier upon the Call Off Expiry Date together with any reasonable costs required to effect such transfer (and the Supplier agrees that all assets and contracts used by the Supplier in connection with the provision of the Services will be available for such transfer);
- 5.3.7 proposals for the training of key members of the Replacement Supplier's personnel in connection with the continuation of the provision of the Services following the Call Off Expiry Date charged at rates agreed between the Parties at that time;
- 5.3.8 proposals for providing the Customer or a Replacement Supplier copies of all documentation:
  - (a) used in the provision of the Services and necessarily required for the continued use thereof, in which the Intellectual Property Rights are owned by the Supplier; and
  - (b) relating to the use and operation of the Services;
- 5.3.9 proposals for the assignment or novation of the provision of all services, leases, maintenance agreements and support agreements utilised by the Supplier in connection with the performance of the supply of the Services;
- 5.3.10 proposals for the identification and return of all Customer Property in the possession of and/or control of the Supplier or any third party (including any Sub-Contractor);
- 5.3.11 proposals for the disposal of any redundant Services and materials;
- 5.3.12 procedures to deal with requests made by the Customer and/or a Replacement Supplier for Staffing Information pursuant to Call Off Schedule 12 (Staff Transfer);
- 5.3.13 how each of the issues set out in this Call Off Schedule will be addressed to facilitate the transition of the Services from the Supplier to the Replacement Supplier and/or the Customer with the aim of ensuring that there is no disruption to or degradation of the Services during the Termination Assistance Period; and
- 5.3.14 proposals for the supply of any other information or assistance reasonably required by the Customer or a Replacement Supplier in order to effect an orderly handover of the provision of the Services.

## **6. TERMINATION ASSISTANCE**

- 6.1 The Customer shall be entitled to require the provision of Termination Assistance at any time during the Call Off Contract Period by giving written

notice to the Supplier (a **"Termination Assistance Notice"**) at least four (4) Months prior to the Call Off Expiry Date or as soon as reasonably practicable (but in any event, not later than one (1) Month) following the service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:

6.1.1 the date from which Termination Assistance is required;

6.1.2 the nature of the Termination Assistance required; and

6.1.3 the period during which it is anticipated that Termination Assistance will be required, which shall continue no longer than twelve (12) Months after the date that the Supplier ceases to provide the Services.

6.2 The Customer shall have an option to extend the Termination Assistance Period beyond the period specified in the Termination Assistance Notice provided that such extension shall not extend for more than six (6) Months after the date the Supplier ceases to provide the Services or, if applicable, beyond the end of the Termination Assistance Period and provided that it shall notify the Supplier to such effect no later than twenty (20) Working Days prior to the date on which the provision of Termination Assistance is otherwise due to expire. The Customer shall have the right to terminate its requirement for Termination Assistance by serving not less than (20) Working Days' written notice upon the Supplier to such effect.

## 7. TERMINATION ASSISTANCE PERIOD

7.1 Throughout the Termination Assistance Period, or such shorter period as the Customer may require, the Supplier shall:

7.1.1 continue to provide the Services (as applicable) and, if required by the Customer pursuant to paragraph 6.1 of this Call Off Schedule, provide the Termination Assistance;

7.1.2 in addition to providing the Services and the Termination Assistance, provide to the Customer any reasonable assistance requested by the Customer to allow the Services to continue without interruption following the termination or expiry of this Call Off Contract and to facilitate the orderly transfer of responsibility for and conduct of the Services to the Customer and/or its Replacement Supplier;

7.1.3 use all reasonable endeavours to reallocate resources to provide such assistance as is referred to in paragraph 7.1.2 of this Call Off Schedule without additional costs to the Customer;

7.1.4 provide the Services and the Termination Assistance at no detriment to the Service Level Performance Measures, save to the extent that the Parties agree otherwise in accordance with paragraph 7.3; and

7.1.5 at the Customer's request and on reasonable notice, deliver up-to-date Registers to the Customer.

7.2 Without prejudice to the Supplier's obligations under paragraph 7.1.3 of this Call Off Schedule, if it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in paragraph 7.1.2 of this Call Off Schedule without additional costs to the Customer, any additional costs incurred by the Supplier in providing such reasonable assistance which is not already in the scope of the Termination Assistance or the Exit Plan shall be subject to the Change Control Procedure.

7.3 If the Supplier demonstrates to the Customer's reasonable satisfaction that transition of the Services and provision of the Termination Assist during the

Termination Assistance Period will have a material, unavoidable adverse effect on the Supplier's ability to meet one or more particular Service Level Performance Measure(s), the Parties shall vary the relevant Service Level Performance Measure(s) and/or the applicable Service Credits to take account of such adverse effect.

## **8. TERMINATION OBLIGATIONS**

8.1 The Supplier shall comply with all of its obligations contained in the Exit Plan.

8.2 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Assistance and its compliance with the other provisions of this Call Off Schedule), the Supplier shall:

8.2.1 cease to use the Customer Data;

8.2.2 provide the Customer and/or the Replacement Supplier with a complete and uncorrupted version of the Customer Data in electronic form (or such other format as reasonably required by the Customer);

8.2.3 erase from any computers, storage devices and storage media that are to be retained by the Supplier after the end of the Termination Assistance Period all Customer Data and promptly certify to the Customer that it has completed such deletion;

8.2.4 return to the Customer such of the following as is in the Supplier's possession or control:

- (a) all copies of the Customer Software and any other software licensed by the Customer to the Supplier under this Call Off Contract;
- (b) all materials created by the Supplier under this Call Off Contract in which the IPRs are owned by the Customer;
- (c) any parts of the ICT Environment and any other equipment which belongs to the Customer;
- (d) any items that have been on-charged to the Customer, such as consumables; and
- (e) all Customer Property issued to the Supplier under Clause 31 of this Call Off Contract (Customer Property). Such Customer Property shall be handed back to the Customer in good working order (allowance shall be made only for reasonable wear and tear);
- (f) any sums prepaid by the Customer in respect of Services not Delivered by the Call Off Expiry Date;

8.2.5 vacate any Customer Premises;

8.2.6 remove the Supplier Equipment together with any other materials used by the Supplier to supply the Services and shall leave the Sites in a clean, safe and tidy condition. The Supplier is solely responsible for making good any damage to the Sites or any objects contained thereon, other than fair wear and tear, which is caused by the Supplier and/or any Supplier Personnel;

8.2.7 provide access during normal working hours to the Customer and/or the Replacement Supplier for up to twelve (12) Months after expiry or termination to:

- (a) such information relating to the Services as remains in the possession or control of the Supplier; and
- (b) such members of the Supplier Personnel as have been involved in the design, development and provision of the Services and who are still employed by the Supplier, provided that the Customer and/or the Replacement Supplier shall pay the reasonable costs of the Supplier actually incurred in responding to requests for access under this paragraph.

8.3 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Assistance and its compliance with the other provisions of this Call Off Schedule), each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party and shall certify that it does not retain the other Party's Confidential Information save to the extent (and for the limited period) that such information needs to be retained by the Party in question for the purposes of providing or receiving any Services or Termination Services or for statutory compliance purposes.

8.4 Except where this Call Off Contract provides otherwise, all licences, leases and authorisations granted by the Customer to the Supplier in relation to the Services shall be terminated with effect from the end of the Termination Assistance Period.

## 9. ASSETS, SUB-CONTRACTS AND SOFTWARE

9.1 Following notice of termination of this Call Off Contract and during the Termination Assistance Period, the Supplier shall not, without the Customer's prior written consent:

- 9.1.1 terminate, enter into or vary any Sub-Contract;
- 9.1.2 (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Supplier Assets or acquire any new Supplier Assets; or
- 9.1.3 terminate, enter into or vary any licence for software in connection with the provision of Services.

9.2 Within twenty (20) Working Days of receipt of the up-to-date Registers provided by the Supplier pursuant to paragraph 7.1.5 of this Call Off Schedule, the Customer shall provide written notice to the Supplier setting out:

9.2.1 which, if any, of the Transferable Assets the Customer requires to be transferred to the Customer and/or the Replacement Supplier ("**Transferring Assets**");

9.2.2 which, if any, of:

- (a) the Exclusive Assets that are not Transferable Assets; and
- (b) the Non-Exclusive Assets,

the Customer and/or the Replacement Supplier requires the continued use of; and

9.2.3 which, if any, of Transferable Contracts the Customer requires to be assigned or novated to the Customer and/or the Replacement Supplier (the **“Transferring Contracts”**),

in order for the Customer and/or its Replacement Supplier to provide the Services from the expiry of the Termination Assistance Period. Where requested by the Customer and/or its Replacement Supplier, the Supplier shall provide all reasonable assistance to the Customer and/or its Replacement Supplier to enable it to determine which Transferable Assets and Transferable Contracts the Customer and/or its Replacement Supplier requires to provide the Services and/or Replacement Services.

9.3 With effect from the expiry of the Termination Assistance Period, the Supplier shall sell the Transferring Assets to the Customer and/or its nominated Replacement Supplier for a consideration equal to their Net Book Value, except where the cost of the Transferring Asset has been partially or fully paid for through the Call Off Contract Charges at the Call Off expiry Date, in which case the Customer shall pay the Supplier the Net Book Value of the Transferring Asset less the amount already paid through the Call Off Contract Charges.

9.4 Risk in the Transferring Assets shall pass to the Customer or the Replacement Supplier (as appropriate) at the end of the Termination Assistance Period and title to the Transferring Assets shall pass to the Customer or the Replacement Supplier (as appropriate) on payment for the same.

9.5 Where the Supplier is notified in accordance with paragraph 9.2.2 of this Call Off Schedule that the Customer and/or the Replacement Supplier requires continued use of any Exclusive Assets that are not Transferable Assets or any Non-Exclusive Assets, the Supplier shall as soon as reasonably practicable:

9.5.1 procure a non-exclusive, perpetual, royalty-free licence (or licence on such other terms that have been agreed by the Customer) for the Customer and/or the Replacement Supplier to use such assets (with a right of sub-licence or assignment on the same terms); or failing which

9.5.2 procure a suitable alternative to such assets and the Customer or the Replacement Supplier shall bear the reasonable proven costs of procuring the same.

9.6 The Supplier shall as soon as reasonably practicable assign or procure the novation to the Customer and/or the Replacement Supplier of the Transferring Contracts. The Supplier shall execute such documents and provide such other assistance as the Customer reasonably requires to effect this novation or assignment.

9.7 The Customer shall:

9.7.1 accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and

9.7.2 once a Transferring Contract is novated or assigned to the Customer and/or the Replacement Supplier, carry out, perform and discharge all the obligations and liabilities created by or arising under that Transferring Contract and exercise its rights arising under that Transferring Contract, or as applicable, procure that the Replacement Supplier does the same.

9.8 The Supplier shall hold any Transferring Contracts on trust for the Customer until such time as the transfer of the relevant Transferring Contract to the Customer and/or the Replacement Supplier has been effected.

9.9 The Supplier shall indemnify the Customer (and/or the Replacement Supplier, as applicable) against each loss, liability and cost arising out of any claims made by a counterparty to a Transferring Contract which is assigned or novated to the Customer (and/or Replacement Supplier) pursuant to paragraph 9.6 of this Call Off Schedule in relation to any matters arising prior to the date of assignment or novation of such Transferring Contract.

**10. SUPPLIER PERSONNEL**

10.1 The Customer and Supplier agree and acknowledge that in the event of the Supplier ceasing to provide the Services or part of them for any reason, Call Off Schedule 12 (Staff Transfer) shall apply.

10.2 The Supplier shall not take any step (expressly or implicitly and directly or indirectly by itself or through any other person) to dissuade or discourage any employees engaged in the provision of the Services from transferring their employment to the Customer and/or the Replacement Supplier.

10.3 During the Termination Assistance Period, the Supplier shall give the Customer and/or the Replacement Supplier reasonable access to the Supplier's personnel to present the case for transferring their employment to the Customer and/or the Replacement Supplier.

10.4 The Supplier shall immediately notify the Customer or, at the direction of the Customer, the Replacement Supplier of any period of notice given by the Supplier or received from any person referred to in the Staffing Information, regardless of when such notice takes effect.

10.5 The Supplier shall not for a period of twelve (12) Months from the date of transfer re-employ or re-engage or entice any employees, suppliers or Sub-Contractors whose employment or engagement is transferred to the Customer and/or the Replacement Supplier, unless approval has been obtained from the Customer which shall not be unreasonably withheld.

**11. CHARGES**

11.1 Except as otherwise expressly specified in this Call Off Contract, the Supplier shall not make any charges for the services provided by the Supplier pursuant to, and the Customer shall not be obliged to pay for costs incurred by the Supplier in relation to its compliance with, this Call Off Schedule including the preparation and implementation of the Exit Plan, the Termination Assistance and any activities mutually agreed between the Parties to carry on after the expiry of the Termination Assistance Period.

**12. APPORTIONMENTS**

12.1 All outgoing and expenses (including any remuneration due) and all rents, royalties and other periodical payments receivable in respect of the Transferring Assets and Transferring Contracts shall be apportioned between the Customer and the Supplier and/or the Replacement Supplier and the Supplier (as applicable) as follows:

12.1.1 the amounts shall be annualised and divided by 365 to reach a daily rate;

12.1.2 the Customer shall be responsible for (or shall procure that the Replacement Supplier shall be responsible for) or entitled to (as the case may be) that part of the value of the invoice pro rata to the number of complete days following the transfer, multiplied by the daily rate; and

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12.1.3 the Supplier shall be responsible for or entitled to (as the case may be) the rest of the invoice.

12.2 Each Party shall pay (and/or the Customer shall procure that the Replacement Supplier shall pay) any monies due under paragraph 12.1 of this Call Off Schedule as soon as reasonably practicable.

**CALL OFF SCHEDULE 12: STAFF TRANSFER****1. DEFINITIONS**

1.1 In this Schedule, the following definitions shall apply:

<b>“Admission Agreement”</b>	the agreement to be entered into by which the supplier agrees to participate in the Schemes as amended from time to time;
<b>“Eligible Employee”</b>	any Fair Deal Employee who at the relevant time is an eligible employee as defined in the Admission Agreement;
<b>“Fair Deal Employees”</b>	those Transferring Customer Employees who are on the Relevant Transfer Date entitled to the protection of New Fair Deal and any Transferring Former Supplier Employees who originally transferred pursuant to a Relevant Transfer under the Employment Regulations (or the predecessor legislation to the Employment Regulations), from employment with a public sector employer and who were once eligible to participate in the Schemes and who at the Relevant Transfer Date become entitled to the protection of New Fair Deal;
<b>“Former Supplier”</b>	a supplier supplying services to the Customer before the Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any sub-contractor of such supplier (or any sub-contractor of any such sub-contractor);
<b>“New Fair Deal”</b>	the revised Fair Deal position set out in the HM Treasury guidance: <i>“Fair Deal for staff pensions: staff transfer from central government”</i> issued in October 2013;
<b>“Notified Sub-contractor”</b>	a Sub-contractor identified in the Annex to this Schedule to whom Transferring Customer Employees and/or Transferring Former Supplier Employees will transfer on a Relevant Transfer Date;
<b>“Replacement Sub-contractor”</b>	a sub-contractor of the Replacement Supplier to whom Transferring Supplier Employees will transfer on a Service Transfer Date (or any sub-contractor of any such sub-contractor);
<b>“Relevant Transfer”</b>	a transfer of employment to which the Employment Regulations applies;
<b>“Relevant Transfer Date”</b>	in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place;
<b>“Schemes”</b>	the Principal Civil Service Pension Scheme available to Civil Servants and employees of bodies under the Superannuation Act 1972 (and eligible employees of other bodies admitted to participate under a determination under section 25 of the Public Service Pensions Act 2013), as

governed by rules adopted by Parliament; the Partnership Pension Account and its (i) Ill health Benefits Scheme and (ii) Death Benefits Scheme; the Civil Service Additional Voluntary Contribution Scheme; the Designated Stakeholder Pension Scheme and 'alpha' introduced under the Public Service (Civil Servants and Others) Pensions Regulations 2014;

**“Service Transfer”**

any transfer of the Services (or any part of the Services), for whatever reason, from the Supplier or any Sub-contractor to a Replacement Supplier or a Replacement Sub-contractor;

**“Service Transfer Date”**

the date of a Service Transfer;

**“Staffing Information”**

in relation to all persons identified on the Supplier's Provisional Supplier Personnel List or Supplier's Final Supplier Personnel List, as the case may be, such information as the Customer may reasonably request (subject to all applicable provisions of the DPA), but including in an anonymised format:

- (a) their ages, dates of commencement of employment or engagement and gender;
- (b) details of whether they are employed, self employed contractors or consultants, agency workers or otherwise;
- (c) the identity of the employer or relevant contracting Party;
- (d) their relevant contractual notice periods and any other terms relating to termination of employment, including redundancy procedures, and redundancy payments;
- (e) their wages, salaries and profit sharing arrangements as applicable;
- (f) details of other employment-related benefits, including (without limitation) medical insurance, life assurance, pension or other retirement benefit schemes, share option schemes and company car schedules applicable to them;
- (g) any outstanding or potential contractual, statutory or other liabilities in respect of such individuals (including in respect of personal injury claims);
- (h) details of any such individuals on long term sickness absence, parental leave, maternity leave or other authorised long term absence;
- (i) copies of all relevant documents and materials relating to such information, including copies of

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relevant contracts of employment (or relevant standard contracts if applied generally in respect of such employees); and

- (j) any other “employee liability information” as such term is defined in regulation 11 of the Employment Regulations;

**“Supplier's Final Supplier Personnel List”**

a list provided by the Supplier of all Supplier Personnel who will transfer under the Employment Regulations on the Relevant Transfer Date;

**“Supplier's Provisional Supplier Personnel List”**

a list prepared and updated by the Supplier of all Supplier Personnel who are engaged in or wholly or mainly assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Supplier;

**“Transferring Customer Employees”**

those employees of the Customer to whom the Employment Regulations will apply on the Relevant Transfer Date;

**“Transferring Former Supplier Employees”**

in relation to a Former Supplier, those employees of the Former Supplier to whom the Employment Regulations will apply on the Relevant Transfer Date; and

**“Transferring Supplier Employees”**

those employees of the Supplier and/or the Supplier's Sub-contractors to whom the Employment Regulations will apply on the Service Transfer Date.

## 2. INTERPRETATION

Where a provision in this Schedule imposes an obligation on the Supplier to provide an indemnity, undertaking or warranty, the Supplier shall procure that each of its Sub-contractors shall comply with such obligation and provide such indemnity, undertaking or warranty to the Customer, Former Supplier, Replacement Supplier or Replacement Sub-contractor, as the case may be.

**PART A**

**TRANSFERRING CUSTOMER EMPLOYEES AT COMMENCEMENT OF SERVICES**

**1. RELEVANT TRANSFERS**

1.1 The Customer and the Supplier agree that:

1.1.1 the commencement of the provision of the Services or of each relevant part of the Services will be a Relevant Transfer in relation to the Transferring Customer Employees; and

1.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between the Customer and the Transferring Customer Employees (except in relation to any terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or any Notified Sub-contractor and each such Transferring Customer Employee.

1.2 The Customer shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of the Transferring Customer Employees in respect of the period arising up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period up to (but not including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Customer; and (ii) the Supplier and/or any Notified Sub-contractor (as appropriate).

**2. CUSTOMER INDEMNITIES**

2.1 Subject to Paragraph 2.2, the Customer shall indemnify the Supplier and any Notified Sub-contractor against any Employee Liabilities arising from or as a result of:

2.1.1 any act or omission by the Customer in respect of any Transferring Employer Employee (or, where applicable any employee representative, as defined in the Employment Regulations) occurring before the Relevant Transfer Date;

2.1.2 the breach or non-observance by the Customer before the Relevant Transfer Date of:

- (a) any collective agreement applicable to the Transferring Customer Employees; and/or
- (b) any custom or practice in respect of any Transferring Customer Employees which the Customer is contractually bound to honour;

2.1.3 any claim by any trade union or other body or person representing the Transferring Customer Employees arising from or connected with any failure by the Customer to comply with any legal obligation to such trade union, body or person arising before the Relevant Transfer Date;

2.1.4 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

- (a) in relation to any Transferring Customer Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and
- (b) in relation to any employee who is not a Transferring Customer Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Customer to the Supplier and/or any Notified Sub-contractor as appropriate, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date.

2.1.5 a failure of the Customer to discharge, or procure the discharge of, all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Customer Employees arising before the Relevant Transfer Date;

2.1.6 any claim made by or in respect of any person employed or formerly employed by the Customer other than a Transferring Customer Employee for whom it is alleged the Supplier and/or any Notified Sub-contractor as appropriate may be liable by virtue of the Employment Regulations and/or the Acquired Rights Directive; and

2.1.7 any claim made by or in respect of a Transferring Customer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Customer Employee relating to any act or omission of the Customer in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Supplier or any Sub-contractor to comply with regulation 13(4) of the Employment Regulations.

2.2 The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier or any Sub-contractor (whether or not a Notified Sub-contractor) whether occurring or having its origin before, on or after the Relevant Transfer Date including any Employee Liabilities:

2.2.1 arising out of the resignation of any Transferring Customer Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier and/or any Sub-contractor to occur in the period from (and including) the Relevant Transfer Date; or

2.2.2 arising from the failure by the Supplier or any Sub-contractor to comply with its obligations under the Employment Regulations.

2.3 If any person who is not identified by the Customer as a Transferring Customer Employee claims, or it is determined in relation to any person who is not identified by the Customer as a Transferring Customer Employee, that his/her contract of employment has been transferred from the Customer to the Supplier and/or any Notified Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:

- 2.3.1 the Supplier shall, or shall procure that the Notified Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Customer; and
- 2.3.2 the Customer may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of receipt of the notification by the Supplier and/or any Notified Sub-contractor, or take such other reasonable steps as the Customer considers appropriate to deal with the matter provided always that such steps are in compliance with Law.
- 2.4 If an offer referred to in Paragraph 2.3.2 is accepted, or if the situation has otherwise been resolved by the Customer, the Supplier shall, or shall procure that the Notified Sub-contractor shall, immediately release the person from his/her employment or alleged employment.
- 2.5 If by the end of the 15 Working Day period specified in Paragraph 2.3.2:
- 2.5.1 no such offer of employment has been made;
- 2.5.2 such offer has been made but not accepted; or
- 2.5.3 the situation has not otherwise been resolved,
- the Supplier and/or any Notified Sub-contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.
- 2.6 Subject to the Supplier and/or any Notified Sub-contractor acting in accordance with the provisions of Paragraphs 2.3 to 2.5 and in accordance with all applicable proper employment procedures set out in applicable Law, the Customer shall indemnify the Supplier and/or any Notified Sub-contractor (as appropriate) against all Employee Liabilities arising out of the termination of employment pursuant to the provisions of Paragraph 2.5 provided that the Supplier takes, or procures that the Notified Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.
- 2.7 The indemnity in Paragraph 2.6:
- 2.7.1 shall not apply to:
- (a) any claim for:
- (i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
- (ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,
- in any case in relation to any alleged act or omission of the Supplier and/or any Sub-contractor; or
- (b) any claim that the termination of employment was unfair because the Supplier and/or Notified Sub-contractor neglected to follow a fair dismissal procedure; and
- 2.7.2 shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Supplier and/or any Notified Sub-contractor (as appropriate) to the Customer within 6 Months of the Call Off Commencement Date.
- 2.8 If any such person as is referred to in Paragraph 2.3 is neither re-employed by the Customer nor dismissed by the Supplier and/or any Notified Sub-contractor

within the time scales set out in Paragraph 2.5 such person shall be treated as having transferred to the Supplier and/or any Notified Sub-contractor and the Supplier shall, or shall procure that the Notified Sub-contractor shall, comply with such obligations as may be imposed upon it under applicable Law.

### 3. **SUPPLIER INDEMNITIES AND OBLIGATIONS**

3.1 Subject to Paragraph 3.2 the Supplier shall indemnify the Customer against any Employee Liabilities arising from or as a result of:

3.1.1 any act or omission by the Contractor or any Sub-Contractor in respect of any Transferring Employer Employee (or, where applicable any employee representative as defined in the Employment Regulations) whether occurring before, on or after the Relevant Transfer Date; the breach or non-observance by the Supplier or any Sub-contractor on or after the Relevant Transfer Date of:

- (a) any collective agreement applicable to the Transferring Customer Employees; and/or
- (b) any custom or practice in respect of any Transferring Customer Employees which the Supplier or any Sub-contractor is contractually bound to honour;

3.1.2 any claim by any trade union or other body or person representing any Transferring Customer Employees arising from or connected with any failure by the Supplier or any Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;

3.1.3 any proposal by the Supplier or a Sub-contractor made before the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Customer Employees to their material detriment on or after their transfer to the Supplier or the relevant Sub-contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Customer Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;

3.1.4 any statement communicated to or action undertaken by the Supplier or any Sub-contractor to, or in respect of, any Transferring Customer Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Customer in writing;

3.1.5 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

- (a) in relation to any Transferring Customer Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and
- (b) in relation to any employee who is not a Transferring Customer Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Customer to the Supplier or a Sub-contractor, to the extent that the proceeding, claim or

demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;

3.1.6 a failure of the Supplier or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Customer Employees in respect of the period from (and including) the Relevant Transfer Date;

3.1.7 any claim made by or in respect of a Transferring Customer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Customer Employee relating to any act or omission of the Supplier or any Sub-contractor in relation to their obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Customer's failure to comply with its obligations under regulation 13 of the Employment Regulations; and

3.1.8 a failure by the Supplier or any Sub-contractor to comply with its obligations under Paragraph 2.8 above.

3.2 The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Customer whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Customer's failure to comply with its obligations under the Employment Regulations.

3.3 The Supplier shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations (including its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of the Transferring Customer Employees, from (and including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period from and including the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Customer and the Supplier.

#### **4. INFORMATION**

4.1 The Supplier shall, and shall procure that each Sub-contractor shall, promptly provide to the Customer in writing such information as is necessary to enable the Customer to carry out its duties under regulation 13 of the Employment Regulations. The Customer shall promptly provide to the Supplier and each Notified Sub-contractor in writing such information as is necessary to enable the Supplier and each Notified Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

#### **5. PRINCIPLES OF GOOD EMPLOYMENT PRACTICE**

5.1 The Parties agree that the Principles of Good Employment Practice issued by the Cabinet Office in December 2010 apply to the treatment by the Supplier of employees whose employment begins after the Relevant Transfer Date, and the Supplier undertakes to treat such employees in accordance with the provisions of the Principles of Good Employment Practice.

5.2 The Supplier shall, and shall procure that each Sub-contractor shall, comply with any requirement notified to it by the Customer relating to pensions in respect of any Transferring Customer Employee as set down in:

5.2.1 the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007;

5.2.2 HM Treasury's guidance "Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999;

5.2.3 HM Treasury's guidance "Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues" of June 2004; and/or

5.2.4 the New Fair Deal.

5.3 Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraphs 5.1 or 5.2 shall be agreed in accordance with the Variation Procedure.

## **6. PENSIONS**

The Supplier shall, and shall procure that each of its Sub-contractors shall, comply with the pensions provisions in the following Annex.

## **ANNEX TO PART A: PENSIONS**

### **1. PARTICIPATION**

1.1 The Supplier undertakes to enter into the Admission Agreement.

1.2 The Supplier and the Customer:

1.2.1 undertake to do all such things and execute any documents (including the Admission Agreement) as may be required to enable the Supplier to participate in the Schemes in respect of the Fair Deal Employees;

1.2.2 agree that the Customer is entitled to make arrangements with the body responsible for the Schemes for the Customer to be notified if the Supplier breaches the Admission Agreement;

1.2.3 notwithstanding Paragraph 1.2.2 of this Annex, the Supplier shall notify the Customer in the event that it breaches the Admission Agreement; and

1.2.4 agree that the Customer may terminate this Call Off Contract for material default in the event that the Supplier breaches the Admission Agreement.

1.3 The Supplier shall bear its own costs and all costs that the Customer reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the Supplier participating in the Schemes.

### **2. FUTURE SERVICE BENEFITS**

2.1 The Supplier shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the Schemes that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date and the Supplier shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of Schemes for service from (and including) the Relevant Transfer Date.

2.2 The Supplier undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to the Customer, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with access to an occupational pension scheme certified by the Government Actuary's Department or any actuary nominated by the Customer in accordance with relevant guidance produced by the Government Actuary's Department as providing benefits which are broadly comparable to those provided by the Schemes at the relevant date.

2.3 The Parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.

### **3. FUNDING**

3.1 The Supplier undertakes to pay to the Schemes all such amounts as are due under the Admission Agreement and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.

3.2 The Supplier shall indemnify and keep indemnified the Customer on demand against any claim by, payment to, or loss incurred by, the Schemes in respect of the failure to account to the Schemes for payments received and the non-

payment or the late payment of any sum payable by the Supplier to or in respect of the Schemes.

**4. PROVISION OF INFORMATION**

The Supplier and the Customer respectively undertake to each other:

4.1 to provide all information which the other Party may reasonably request concerning matters (i) referred to in this Annex and (ii) set out in the Admission Agreement, and to supply the information as expeditiously as possible; and

4.2 not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other Party (not to be unreasonably withheld or delayed).

**5. INDEMNITY**

5.1 The Supplier undertakes to the Customer to indemnify and keep indemnified the Customer and/or the Customer's Shared Estates on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.

**6. EMPLOYER OBLIGATION**

6.1 The Supplier shall comply with the requirements of the Pensions Act 2008 and the Transfer of Employment (Pension Protection) Regulations 2005.

**7. SUBSEQUENT TRANSFERS**

The Supplier shall:

7.1 not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the date of the relevant future transfer;

7.2 provide all such co-operation and assistance as the Schemes and the Replacement Supplier and/or the Customer may reasonably require to enable the Replacement Supplier to participate in the Schemes in respect of any Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under New Fair Deal; and

7.3 for the period either:

7.3.1 after notice (for whatever reason) is given, in accordance with the other provisions of this Call Off Contract, to terminate the Agreement or any part of the Services; or

7.3.2 after the date which is two (2) years prior to the date of expiry of this Call Off Contract;

ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Supplier or the Customer, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such employees are not reduced without (in any case) the prior approval of the Customer (such approval not to be unreasonably withheld). Save that this subparagraph shall not apply to any change made as a consequence of participation in an Admission Agreement.



**PART B**  
**TRANSFERRING FORMER SUPPLIER EMPLOYEES AT THE COMMENCEMENT OF SERVICES**

**1. RELEVANT TRANSFERS**

1.1 The Customer and the Supplier agree that:

- (a) the commencement of the provision of the Services or of any relevant part of the Services will be a Relevant Transfer in relation to the Transferring Former Supplier Employees; and
- (b) as a result of the operation of the Employment Regulations, the contracts of employment between each Former Supplier and the Transferring Former Supplier Employees (except in relation to any terms disapplied through the operation of regulation 10(2) of the Employment Regulations) shall have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or Notified Sub-contractor and each such Transferring Former Supplier Employee.

1.2 The Customer shall procure that each Former Supplier shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of all the Transferring Former Supplier Employees in respect of the period up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (but not including) the Relevant Transfer Date) and the Supplier shall make, and the Customer shall procure that each Former Supplier makes, any necessary apportionments in respect of any periodic payments.

**2. FORMER SUPPLIER INDEMNITIES**

2.1 Subject to Paragraph 2.2 the Customer shall procure that each Former Supplier shall indemnify the Supplier and any Notified Sub-contractor against any Employee Liabilities arising from or as a result of:

2.1.1 any act or omission by the Former Supplier in respect of any Transferring Former Supplier Employee or, where applicable any employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee arising before the Relevant Transfer Date;

2.1.2 the breach or non-observance by the Former Supplier arising before the Relevant Transfer Date of:

- (a) any collective agreement applicable to the Transferring Former Supplier Employees; and/or
- (b) any custom or practice in respect of any Transferring Former Supplier Employees which the Former Supplier is contractually bound to honour;

2.1.3 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

- (a) in relation to any Transferring Former Supplier Employee identified in the Supplier's Personnel List, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and
  - (b) in relation to any employee who is not a Transferring Former Supplier Employee identified in the Supplier's Personnel List and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Supplier and/or any Notified Sub-contractor as appropriate, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations in respect of the period to (but excluding) the Relevant Transfer Date;
- 2.1.4 a failure of the Former Supplier to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period to (but excluding) the Relevant Transfer Date;
- 2.1.5 any claim made by or in respect of any person employed or formerly employed by the Former Supplier other than a Transferring Former Supplier Employee for whom it is alleged the Supplier and/or any Notified Sub-contractor as appropriate may be liable by virtue of this Call Off Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and
- 2.1.6 any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee relating to any act or omission of the Former Supplier in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Supplier or any Sub-contractor to comply with regulation 13(4) of the Employment Regulations.
- 2.2 The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier or any Sub-contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities:
  - 2.2.1 arising out of the resignation of any Transferring Former Supplier Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier or any Sub-contractor to occur in the period from (and including) the Relevant Transfer Date; or
  - 2.2.2 arising from the failure by the Supplier and/or any Sub-contractor to comply with its obligations under the Employment Regulations.
- 2.3 If any person who is not identified by the Customer as a Transferring Former Supplier Employee claims, or it is determined in relation to any person who is not identified by the Customer as a Transferring Former Supplier Employee, that his/her contract of employment has been transferred from a Former Supplier to the Supplier and/or any Notified Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:

2.3.1 the Supplier shall, or shall procure that the Notified Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Customer and, where required by the Customer, to the Former Supplier; and

2.3.2 the Former Supplier may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of the notification by the Supplier and/or the Notified Sub-contractor or take such other reasonable steps as the Former Supplier considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.

2.4 If an offer referred to in Paragraph 2.3.2 is accepted, or if the situation has otherwise been resolved by the Former Supplier and/or the Customer, the Supplier shall, or shall procure that the Notified Sub-contractor shall, immediately release the person from his/her employment or alleged employment.

2.5 If by the end of the 15 Working Day period specified in Paragraph 2.3.2:

2.5.1 no such offer of employment has been made;

2.5.2 such offer has been made but not accepted; or

2.5.3 the situation has not otherwise been resolved,

the Supplier and/or any Notified Sub-contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

2.6 Subject to the Supplier and/or any Notified Sub-contractor acting in accordance with the provisions of Paragraphs 2.3 to 2.5 and in accordance with all applicable proper employment procedures set out in Law, the Customer shall procure that the Former Supplier indemnifies the Supplier and/or any Notified Sub-contractor (as appropriate) against all Employee Liabilities arising out of the termination of employment pursuant to the provisions of Paragraph 2.5 provided that the Supplier takes, or shall procure that the Notified Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.7 The indemnity in Paragraph 2.6:

2.7.1 shall not apply to:

(a) any claim for:

(i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

(ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Supplier and/or any Sub-contractor; or

(b) any claim that the termination of employment was unfair because the Supplier and/or Notified Sub-contractor neglected to follow a fair dismissal procedure; and

2.7.2 shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Supplier and/or any Notified Sub-contractor (as appropriate) to the Customer and, if applicable, the Former Supplier, within 6 Months of the Call Off Commencement Date.

2.8 If any such person as is described in Paragraph 2.3 is neither re-employed by the Former Supplier nor dismissed by the Supplier and/or any Notified Sub-contractor within the time scales set out in Paragraph 2.5, such person shall be treated as having transferred to the Supplier or Notified Sub-contractor.

2.9 The Supplier shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of any person identified in the Supplier's Final Personnel List before and on the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between:

2.9.1 the Replacement Supplier and/or any Sub-contractor; and

2.9.2 the Replacement Supplier and/or the Replacement Sub-contractor

2.10 The Supplier shall, and shall procure that each Sub-contractor shall, promptly provide to the Customer and any Replacement Supplier and/or Replacement Sub-contractor, in writing such information as is necessary to enable the employer, the Replacement Supplier and/or Replacement Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations. The Customer shall procure that the Replacement Supplier and/or Replacement Sub-contractor, shall promptly provide to the employer and each Sub-contractor in writing such information as is necessary to enable the contractor and each Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

### **3. SUPPLIER INDEMNITIES AND OBLIGATIONS**

3.1 Subject to Paragraph 3.2, the Supplier shall indemnify the Customer and/or the Former Supplier against any Employee Liabilities in respect of any Transferring Former Supplier Employee arising from or as a result of:

3.1.1 any act or omission by the Supplier or any Sub-Contractor in respect of any Transferring Former Supplier Employee or, where applicable any employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee whether occurring before, on or after the Relevant Transfer Date;

3.1.2 the breach or non-observance by the Supplier or any Sub-contractor on or after the Relevant Transfer Date of:

(a) any collective agreement applicable to the Transferring Former Supplier Employee; and/or

(b) any custom or practice in respect of any Transferring Former Supplier Employees which the Supplier or any Sub-contractor is contractually bound to honour;

3.1.3 any claim by any trade union or other body or person representing any Transferring Former Supplier Employees arising from or connected with any failure by the Supplier or a Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;

3.1.4 any proposal by the Supplier or a Sub-contractor prior to the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Former Supplier Employees to their material detriment on or after their transfer to the Supplier or a Sub-contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Former Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;

3.1.5 any statement communicated to or action undertaken by the Supplier or a Sub-contractor to, or in respect of, any Transferring Former Supplier Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Customer and/or the Former Supplier in writing;

3.1.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

- (a) in relation to any Transferring Former Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and
- (b) in relation to any employee who is not a Transferring Former Supplier Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Supplier or a Sub-contractor, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;

3.1.7 a failure of the Supplier or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period from (and including) the Relevant Transfer Date;

3.1.8 any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee relating to any act or omission of the Supplier or any Sub-contractor in relation to obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Former Supplier's failure to comply with its obligations under regulation 13 of the Employment Regulations; and

3.1.9 a failure by the Supplier or any Sub-contractor to comply with its obligations under Paragraph 2.8 above.

3.2 The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Former Supplier whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Former Supplier's failure to comply with its obligations under the Employment Regulations.

3.3 The Supplier shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations (including without limitation its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of all the Transferring Former Supplier Employees, on and from the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period from (and including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Supplier and the Former Supplier.

**4. INFORMATION**

The Supplier shall, and shall procure that each Sub-contractor shall, promptly provide to the Customer and/or at the Customer's direction, the Former Supplier, in writing such information as is necessary to enable the Customer and/or the Former Supplier to carry out their respective duties under regulation 13 of the Employment Regulations. The Customer shall procure that the Former Supplier shall promptly provide to the Supplier and each Notified Sub-contractor in writing such information as is necessary to enable the Supplier and each Notified Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

**5. PRINCIPLES OF GOOD EMPLOYMENT PRACTICE**

5.1 The Supplier shall, and shall procure that each Sub-contractor shall, comply with any requirement notified to it by the Customer relating to pensions in respect of any Transferring Former Supplier Employee as set down in:

5.1.1 the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007;

5.1.2 HM Treasury's guidance "Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999;

5.1.3 HM Treasury's guidance: "Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues" of June 2004; and/or

5.1.4 the New Fair Deal.

5.2 Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraph 5.1 shall be agreed in accordance with the Variation Procedure.

**6. PROCUREMENT OBLIGATIONS**

Notwithstanding any other provisions of this Part B, where in this Part B the Customer accepts an obligation to procure that a Former Supplier does or does not do something, such obligation shall be limited so that it extends only to the extent that the Customer's contract with the Former Supplier contains a contractual right in that regard which the Customer may enforce, or otherwise so that it requires only that the Customer must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

**7. PENSIONS**

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The Supplier shall, and shall procure that each Sub-contractor shall, comply with the pensions provisions in the following Annex in respect of any Transferring Former Supplier Employees who transfer from the Former Supplier to the Supplier.

## **ANNEX TO PART B: PENSIONS**

### **1. PARTICIPATION**

1.1 The Supplier undertakes to enter into the Admission Agreement.

1.2 The Supplier and the Customer:

1.2.1 undertake to do all such things and execute any documents (including the Admission Agreement) as may be required to enable the Supplier to participate in the Schemes in respect of the Fair Deal Employees;

1.2.2 agree that the Customer is entitled to make arrangements with the body responsible for the Schemes for the Customer to be notified if the Supplier breaches the Admission Agreement;

1.2.3 notwithstanding Paragraph 1.2.2 of this Annex, the Supplier shall notify the Customer in the event that it breaches the Admission Agreement; and

1.2.4 agree that the Customer may terminate this Call Off Contract for material default in the event that the Supplier breaches the Admission Agreement.

1.3 The Supplier shall bear its own costs and all costs that the Customer reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the Supplier participating in the Schemes.

### **2. FUTURE SERVICE BENEFITS**

2.1 If the Supplier is rejoining the Schemes for the first time, the Supplier shall procure that the Fair Deal Employees shall be either admitted to or offered continued membership of the relevant section of the Schemes that they became eligible to join on the Relevant Transfer Date and shall continue to accrue or accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.

2.2 If staff have already been readmitted to the Schemes, the Supplier shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the Schemes that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date and the Supplier shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.

2.3 The Supplier undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to the Customer, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with access to an occupational pension scheme certified by the Government Actuary's Department or any actuary nominated by the Customer in accordance with relevant guidance produced by the Government Actuary's Department as providing benefits which are broadly comparable to those provided by the Schemes at the relevant date.

2.4 The Parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.

### **3. FUNDING**

3.1 The Supplier undertakes to pay to the Schemes all such amounts as are due under the Admission Agreement and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.

3.2 The Supplier shall indemnify and keep indemnified the Customer on demand against any claim by, payment to, or loss incurred by the Schemes in respect of the failure to account to the Schemes for payments received and the non-payment or the late payment of any sum payable by the Supplier to or in respect of the Schemes.

4. **PROVISION OF INFORMATION**

The Supplier and the Customer respectively undertake to each other:

- (a) to provide all information which the other Party may reasonably request concerning matters (i) referred to in this Annex and (ii) set out in the Admission Agreement, and to supply the information as expeditiously as possible; and
- (b) not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other Party (not to be unreasonably withheld or delayed).

5. **INDEMNITY**

The Supplier undertakes to the Customer to indemnify and keep indemnified the Customer and/or the Customer's Shared Estates on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.

6. **EMPLOYER OBLIGATION**

The Supplier shall comply with the requirements of the Pensions Act 2008 and the Transfer of Employment (Pension Protection) Regulations 2005.

7. **SUBSEQUENT TRANSFERS**

The Supplier shall:

- (a) not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the date of the relevant future transfer;
- (b) provide all such co-operation and assistance as the Schemes and the Replacement Supplier and/or the Customer may reasonably require to enable the Replacement Supplier to participate in the Schemes in respect of any Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under the New Fair Deal; and
- (c) for the period either
  - (i) after notice (for whatever reason) is given, in accordance with the other provisions of this Call Off Contract, to terminate the Agreement or any part of the Services; or
  - (ii) after the date which is two (2) years prior to the date of expiry of this Call Off Contract,

ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Supplier or the Customer, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such employees are not reduced without (in any case) the prior approval of the Customer (such approval not

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to be unreasonably withheld). Save that this sub-paragraph shall not apply to any change made as a consequence of participation in an Admission Agreement.

**PART C**  
**NO TRANSFER OF EMPLOYEES AT COMMENCEMENT OF SERVICES**

**8. PROCEDURE IN THE EVENT OF TRANSFER**

8.1 The Customer and the Supplier agree that the commencement of the provision of the Services or of any part of the Services will not be a Relevant Transfer in relation to any employees of the Customer and/or any Former Supplier.

8.2 If any employee of the Customer and/or a Former Supplier claims, or it is determined in relation to any employee of the Customer and/or a Former Supplier, that his/her contract of employment has been transferred from the Customer and/or the Former Supplier to the Supplier and/or any Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:

8.2.1 the Supplier shall, and shall procure that the relevant Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Customer and, where required by the Customer, give notice to the Former Supplier; and

8.2.2 the Customer and/or the Former Supplier may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of the notification by the Supplier or the Sub-contractor (as appropriate) or take such other reasonable steps as the Customer or Former Supplier (as the case may be) considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.

8.3 If an offer referred to in Paragraph 1.2.2 is accepted (or if the situation has otherwise been resolved by the Customer and/or the Former Supplier), the Supplier shall, or shall procure that the Sub-contractor shall, immediately release the person from his/her employment or alleged employment.

8.4 If by the end of the 15 Working Day period specified in Paragraph 1.2.2:

8.4.1 no such offer of employment has been made;

8.4.2 such offer has been made but not accepted; or

8.4.3 the situation has not otherwise been resolved,

the Supplier and/or the Sub-contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

**9. INDEMNITIES**

9.1 Subject to the Supplier and/or the relevant Sub-contractor acting in accordance with the provisions of Paragraphs 1.2 to 1.4 and in accordance with all applicable employment procedures set out in applicable Law and subject also to Paragraph 2.4, the Customer shall:

9.1.1 indemnify the Supplier and/or the relevant Sub-contractor against all Employee Liabilities arising out of the termination of the employment of any employees of the Customer referred to in Paragraph 1.2 made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the Notified Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities; and

9.1.2 procure that the Former Supplier indemnifies the Supplier and/or any Notified Sub-contractor against all Employee Liabilities arising out of termination of the employment of the employees of the Former Supplier

referred to in paragraph 2.1.2 above made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the relevant Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.

9.2 If any such person as is described in Paragraph 1.2 is neither re employed by the Customer and/or the Former Supplier as appropriate nor dismissed by the Supplier and/or any Sub-contractor within the 15 Working Day period referred to in Paragraph 1.4 such person shall be treated as having transferred to the Supplier and/or the Sub-contractor (as appropriate) and the Supplier shall, or shall procure that the Sub-contractor shall, comply with such obligations as may be imposed upon it under Law.

9.3 Where any person remains employed by the Supplier and/or any Sub-contractor pursuant to Paragraph 2.2, all Employee Liabilities in relation to such employee shall remain with the Supplier and/or the Sub-contractor and the Supplier shall indemnify the Customer and any Former Supplier, and shall procure that the Sub-contractor shall indemnify the Customer and any Former Supplier, against any Employee Liabilities that either of them may incur in respect of any such employees of the Supplier and/or employees of the Sub-contractor.

9.4 The indemnities in Paragraph 2.1:

9.4.1 shall not apply to:

(a) any claim for:

- (i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
- (ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Supplier and/or any Sub-contractor; or

(b) any claim that the termination of employment was unfair because the Supplier and/or any Sub-contractor neglected to follow a fair dismissal procedure; and

(c) shall apply only where the notification referred to in Paragraph 1.2.1 is made by the Supplier and/or any Sub-contractor to the Customer and, if applicable, Former Supplier within 6 Months of the Call Off Commencement Date.

## 10. **PROCUREMENT OBLIGATIONS**

Where in this Part C the Customer accepts an obligation to procure that a Former Supplier does or does not do something, such obligation shall be limited so that it extends only to the extent that the Customer's contract with the Former Supplier contains a contractual right in that regard which the Customer may enforce, or otherwise so that it requires only that the Customer must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

**PART D  
EMPLOYMENT EXIT PROVISIONS**

**1. PRE-SERVICE TRANSFER OBLIGATIONS**

1.1 The Supplier agrees that within 20 Working Days of the earliest of:

- 1.1.1 receipt of a notification from the Customer of a Service Transfer or intended Service Transfer;
- 1.1.2 receipt of the giving of notice of early termination or any Partial Termination of this Call Off Contract;
- 1.1.3 the date which is 12 Months before the end of the Term; and
- 1.1.4 receipt of a written request of the Customer at any time (provided that the Customer shall only be entitled to make one such request in any 6 Month period),

it shall provide in a suitably anonymised format so as to comply with the DPA, the Supplier's Provisional Supplier Personnel List, together with the Staffing Information in relation to the Supplier's Provisional Supplier Personnel List and it shall provide an updated Supplier's Provisional Supplier Personnel List at such intervals as are reasonably requested by the Customer.

1.2 At least 20 Working Days prior to the Service Transfer Date, the Supplier shall provide to the Customer or at the direction of the Customer to any Replacement Supplier and/or any Replacement Sub-contractor:

- 1.2.1 the Supplier's Final Supplier Personnel List, which shall identify which of the Supplier Personnel are Transferring Supplier Employees; and
- 1.2.2 the Staffing Information in relation to the Supplier's Final Supplier Personnel List (insofar as such information has not previously been provided).

1.3 The Customer shall be permitted to use and disclose information provided by the Supplier under Paragraphs 1.1 and 1.2 for the purpose of informing any prospective Replacement Supplier and/or Replacement Sub-contractor.

1.4 The Supplier warrants, for the benefit of the Customer, any Replacement Supplier, and any Replacement Sub-contractor that all information provided pursuant to Paragraphs 1.1 and 1.2 shall be true and accurate in all material respects at the time of providing the information.

1.5 From the date of the earliest event referred to in Paragraph 1.1, the Supplier agrees, that it shall not, and agrees to procure that each Sub-contractor shall not, assign any person to the provision of the Services who is not listed on the Supplier's Provisional Supplier Personnel List and shall not without the approval of the Customer (not to be unreasonably withheld or delayed):

- 1.5.1 replace or re-deploy any Supplier Personnel listed on the Supplier Provisional Supplier Personnel List other than where any replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person he/she replaces;
- 1.5.2 make, promise, propose, permit or implement any material changes to the terms and conditions of employment of the Supplier Personnel (including any payments connected with the termination of employment);

- 1.5.3 increase the proportion of working time spent on the Services (or the relevant part of the Services) by any of the Supplier Personnel save for fulfilling assignments and projects previously scheduled and agreed;
- 1.5.4 introduce any new contractual or customary practice concerning the making of any lump sum payment on the termination of employment of any employees listed on the Supplier's Provisional Supplier Personnel List;
- 1.5.5 increase or reduce the total number of employees so engaged, or deploy any other person to perform the Services (or the relevant part of the Services); or
- 1.5.6 terminate or give notice to terminate the employment or contracts of any persons on the Supplier's Provisional Supplier Personnel List save by due disciplinary process,

and shall promptly notify, and procure that each Sub-contractor shall promptly notify, the Customer or, at the direction of the Customer, any Replacement Supplier and any Replacement Sub-contractor of any notice to terminate employment given by the Supplier or relevant Sub-contractor or received from any persons listed on the Supplier's Provisional Supplier Personnel List regardless of when such notice takes effect.

- 1.6 During the Term, the Supplier shall provide, and shall procure that each Sub-contractor shall provide, to the Customer any information the Customer may reasonably require relating to the manner in which the Services are organised, which shall include:

- 1.6.1 the numbers of employees engaged in providing the Services;
- 1.6.2 the percentage of time spent by each employee engaged in providing the Services; and
- 1.6.3 a description of the nature of the work undertaken by each employee by location.

- 1.7 The Supplier shall provide, and shall procure that each Sub-contractor shall provide, all reasonable cooperation and assistance to the Customer, any Replacement Supplier and/or any Replacement Sub-contractor to ensure the smooth transfer of the Transferring Supplier Employees on the Service Transfer Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements can be made to enable the Transferring Supplier Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within 5 Working Days following the Service Transfer Date, the Supplier shall provide, and shall procure that each Sub-contractor shall provide, to the Customer or, at the direction of the Customer, to any Replacement Supplier and/or any Replacement Sub-contractor (as appropriate), in respect of each person on the Supplier's Final Supplier Personnel List who is a Transferring Supplier Employee:

- 1.7.1 the most recent Month's copy pay slip data;
- 1.7.2 details of cumulative pay for tax and pension purposes;
- 1.7.3 details of cumulative tax paid;
- 1.7.4 tax code;
- 1.7.5 details of any voluntary deductions from pay; and
- 1.7.6 bank/building society account details for payroll purposes.

**2. EMPLOYMENT REGULATIONS EXIT PROVISIONS**

2.1 The Customer and the Supplier acknowledge that subsequent to the commencement of the provision of the Services, the identity of the provider of the Services (or any part of the Services) may change (whether as a result of termination or Partial Termination of this Call Off Contract or otherwise) resulting in the Services being undertaken by a Replacement Supplier and/or a Replacement Sub-contractor. Such change in the identity of the supplier of such services may constitute a Relevant Transfer to which the Employment Regulations and/or the Acquired Rights Directive will apply. The Customer and the Supplier further agree that, as a result of the operation of the Employment Regulations, where a Relevant Transfer occurs, the contracts of employment between the Supplier and the Transferring Supplier Employees (except in relation to any contract terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Service Transfer Date as if originally made between the Replacement Supplier and/or a Replacement Sub-contractor (as the case may be) and each such Transferring Supplier Employee.

2.2 The Supplier shall, and shall procure that each Sub-contractor shall, comply with all its obligations in respect of the Transferring Supplier Employees arising under the Employment Regulations in respect of the period up to (and including) the Service Transfer Date and shall perform and discharge, and procure that each Sub-contractor shall perform and discharge, all its obligations in respect of all the Transferring Supplier Employees arising in respect of the period up to (and including) the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period ending on (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Supplier and/or the Sub-contractor (as appropriate); and (ii) the Replacement Supplier and/or Replacement Sub-contractor.

2.3 Subject to Paragraph 2.4, the Supplier shall indemnify the Customer and/or the Replacement Supplier and/or any Replacement Sub-contractor against any Employee Liabilities in respect of any Transferring Supplier Employee arising from or as a result of:

2.3.1 any act or omission of the Supplier or any Sub-contractor in respect of any Transferring Supplier Employee or, where applicable any employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee whether occurring before, on or after the Service Transfer Date;

2.3.2 the breach or non-observance by the Supplier or any Sub-contractor occurring on or before the Service Transfer Date of:

- (a) any collective agreement applicable to the Transferring Supplier Employees; and/or
- (b) any other custom or practice with a trade union or staff association in respect of any Transferring Supplier Employees which the Supplier or any Sub-contractor is contractually bound to honour;

2.3.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees arising from or connected with any failure by the Supplier or a Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or before the Service Transfer Date;

2.3.4 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

- (a) in relation to any Transferring Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and before the Service Transfer Date; and
- (b) in relation to any employee who is not a Transferring Supplier Employee on the Supplier's Final Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier to the Customer and/or Replacement Supplier and/or any Replacement Sub-contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or before the Service Transfer Date;

2.3.5 a failure of the Supplier or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees in respect of the period up to (and including) the Service Transfer Date);

2.3.6 any claim made by or in respect of any person employed or formerly employed by the Supplier or any Sub-contractor other than a Transferring Supplier Employee identified in the Supplier's Final Personnel List for whom it is alleged the Customer and/or the Replacement Supplier and/or any Replacement Sub-contractor may be liable by virtue of this Call Off Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and

2.3.7 any claim made by or in respect of a Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee relating to any act or omission of the Supplier or any Sub-contractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Customer and/or Replacement Supplier to comply with regulation 13(4) of the Employment Regulations.

2.4 The indemnities in Paragraph 2.3 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Replacement Supplier and/or any Replacement Sub-contractor whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities:

2.4.1 arising out of the resignation of any Transferring Supplier Employee before the Service Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Replacement Supplier and/or any Replacement Sub-contractor to occur in the period on or after the Service Transfer Date); or

2.4.2 arising from the Replacement Supplier's failure, and/or Replacement Sub-contractor's failure, to comply with its obligations under the Employment Regulations.

2.5 If any person who is not identified in the Supplier's Final Personnel List claims, or it is determined in relation to any person who is not in the Supplier's Final Personnel List, that his/her contract of employment has been transferred from the *Contractor* or any Sub-Contractor to the Replacement Contractor and/or Replacement Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive, then:

2.5.1 the Customer shall procure that the Replacement Supplier shall, or any Replacement Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Supplier; and

2.5.2 the Supplier may offer (or may procure that a Sub-contractor may offer) employment to such person within 15 Working Days of the notification by the Replacement Supplier and/or any and/or Replacement Sub-contractor or take such other reasonable steps as it considers appropriate to deal with the matter provided always that such steps are in compliance with Law.

2.6 If such offer is accepted, or if the situation has otherwise been resolved by the Supplier or a Sub-contractor, the Customer shall procure that the Replacement Supplier shall, or procure that the Replacement Sub-contractor shall, immediately release or procure the release of the person from his/her employment or alleged employment.

2.7 If after the 15 Working Day period specified in Paragraph 2.5.2 has elapsed:

2.7.1 no such offer of employment has been made;

2.7.2 such offer has been made but not accepted; or

2.7.3 the situation has not otherwise been resolved

the Replacement Supplier and/or Replacement Sub-contractor, as appropriate, may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

2.8 Subject to the Replacement Supplier and/or Replacement Sub-contractor acting in accordance with the provisions of Paragraphs 2.5 to 2.7, and in accordance with all applicable proper employment procedures set out in applicable Law, the Supplier shall indemnify the Replacement Supplier and/or Replacement Sub-contractor against all Employee Liabilities arising out of the termination of employment pursuant to the provisions of Paragraph 2.7 provided that the Replacement Supplier takes, or shall procure that the Replacement Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.9 The indemnity in Paragraph 2.8:

2.9.1 shall not apply to:

(a) any claim for:

(i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

(ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Replacement Supplier and/or Replacement Sub-contractor; or

- (b) any claim that the termination of employment was unfair because the Replacement Supplier and/or Replacement Sub-contractor neglected to follow a fair dismissal procedure; and

2.9.2 shall apply only where the notification referred to in Paragraph 2.5.1 is made by the Replacement Supplier and/or Replacement Sub-contractor to the Supplier within 6 Months of the Service Transfer Date .

- a. If any such person as is described in Paragraph 2.5 is neither re-employed by the Supplier or any Sub-contractor nor dismissed by the Replacement Supplier and/or Replacement Sub-contractor within the time scales set out in Paragraphs 2.5 to 2.7, such person shall be treated as a Transferring Supplier Employee.
- b. The Supplier shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of any person identified in the Supplier's Final Personnel List before and on the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between:

2.9.3 the Supplier and/or any Sub-contractor; and

2.9.4 the Replacement Supplier and/or the Replacement Sub-contractor.

2.10 The Supplier shall, and shall procure that each Sub-contractor shall, promptly provide to the Customer and any Replacement Supplier and/or Replacement Sub-contractor, in writing such information as is necessary to enable the Customer, the Replacement Supplier and/or Replacement Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations. The Customer shall procure that the Replacement Supplier and/or Replacement Sub-contractor, shall promptly provide to the Supplier and each Sub-contractor in writing such information as is necessary to enable the Supplier and each Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

2.11 Subject to Paragraph 2.14, the Customer shall procure that the Replacement Supplier indemnifies the Supplier on its own behalf and on behalf of any Replacement Sub-contractor and its sub-contractors against any Employee Liabilities in respect of each Transferring Supplier Employee (or, where applicable any employee representative) arising from or as a result of:

2.11.1 any act or omission of the Replacement Supplier and/or Replacement Sub-contractor in respect of each Transferring Supplier Employee identified in the Supplier's Personnel List or, where applicable any employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee;

2.11.2 the breach or non-observance by the Replacement Supplier and/or Replacement Sub-contractor on or after the Service Transfer Date of:

- (a) any collective agreement applicable to the Transferring Supplier Employees identified in the Supplier's Final Personnel List; and/or
- (b) any custom or practice in respect of any Transferring Supplier Employees which the Replacement Supplier and/or Replacement Sub-contractor is contractually bound to honour;

2.11.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees identified in the Supplier's Final Personnel List arising from or connected with any failure by the Replacement Supplier and/or Replacement Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;

2.11.4 any proposal by the Replacement Supplier and/or Replacement Sub-contractor to change the terms and conditions of employment or working conditions of any Transferring Supplier Employees on or after their transfer to the Replacement Supplier or Replacement Sub-contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person identified in the Supplier's Final Personnel List who would have been a Transferring Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;

2.11.5 any statement communicated to or action undertaken by the Replacement Supplier or Replacement Sub-contractor to, or in respect of, any Transferring Supplier Employee identified in the Supplier's Final Personnel List on or before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Supplier in writing;

2.11.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

- (a) in relation to any Transferring Supplier Employee identified in the Supplier's Final Personnel List, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date; and
- (b) in relation to any employee who is not a Transferring Supplier Employee identified in the Supplier's Final Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier or Sub-contractor, to the Replacement Supplier or Replacement Sub-contractor to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date;

2.11.7 a failure of the Replacement Supplier or Replacement Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions

relating to the Transferring Supplier Employees identified in the Supplier's Final Personnel List in respect of the period from (and including) the Service Transfer Date; and

2.11.8 any claim made by or in respect of a Transferring Supplier Employee identified in the Supplier's Final Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee relating to any act or omission of the Replacement Supplier or Replacement Sub-contractor in relation to obligations under regulation 13 of the Employment Regulations.

- 2.12 The indemnities in Paragraph 2.13 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier and/or any Sub-contractor (as applicable) whether occurring or having its origin before, on or after the Relevant Transfer Date, including any Employee Liabilities arising from the failure by the Supplier and/or any Sub-contractor (as applicable) to comply with its obligations under the Employment Regulations.

**OFFICIAL**

Future FM Project

Commercial and Contract Management (CCM)  
Directorate

**ANNEX TO SCHEDULE: LIST OF NOTIFIED SUB-CONTRACTORS**

None

**CALL OFF SCHEDULE 13: DISPUTE RESOLUTION PROCEDURE****1. DEFINITIONS**

1.1 In this Call Off Schedule 13, the following definitions shall apply:

<b>"CEDR"</b>	the Centre for Effective Dispute Resolution of International Dispute Resolution Centre, 70 Fleet Street, London, EC4Y 1EU;
<b>"Counter Notice"</b>	has the meaning given to it in paragraph 6.2 of this Call Off Schedule;
<b>"Exception"</b>	a deviation of project tolerances in accordance with PRINCE2 methodology in respect of this Call Off Contract or in the supply of the Services;
<b>"Expert"</b>	the person appointed by the Parties in accordance with paragraph 5.2 of this Call Off Schedule 13; and
<b>"Mediation Notice"</b>	has the meaning given to it in paragraph 3.2 of this Call Off Schedule;
<b>"Mediator"</b>	the independent third party appointed in accordance with paragraph 4.2 of this Call Off Schedule 13.

**2. INTRODUCTION**

2.1 If a Dispute arises then:

2.1.1 the representative of the Customer and the Supplier Representative shall attempt in good faith to resolve the Dispute; and

2.1.2 if such attempts are not successful within a reasonable time either Party may give to the other a Dispute Notice.

2.2 The Dispute Notice shall set out:

2.2.1 the material particulars of the Dispute;

2.2.2 the reasons why the Party serving the Dispute Notice believes that the Dispute has arisen; and

2.2.3 if the Party serving the Dispute Notice believes that the Dispute should be dealt with under the Expedited Dispute Timetable as set out in paragraph 2.6 of this Call Off Schedule, the reason why.

2.3 Unless agreed otherwise in writing, the Parties shall continue to comply with their respective obligations under this Call Off Contract regardless of the nature of the Dispute and notwithstanding the referral of the Dispute to the Dispute Resolution Procedure.

2.4 Subject to paragraph 3.2 of this Call Off Schedule, the Parties shall seek to resolve Disputes:

2.4.1 first by commercial negotiation (as prescribed in paragraph 3 of this Call Off Schedule);

2.4.2 then by mediation (as prescribed in paragraph 4 of this Call Off Schedule); and

2.4.3 lastly by recourse to arbitration (as prescribed in paragraph 6 of this Call Off Schedule) or litigation (in accordance with Clause 58 of this Call Off Contract (Governing Law and Jurisdiction)).

2.5 Specific issues shall be referred to Expert Determination (as prescribed in paragraph 5 of this Call Off Schedule) where specified under the provisions of this Call Off Contract and may also be referred to Expert Determination where otherwise appropriate as specified in paragraph 5 of this Call Off Schedule.

2.6 In exceptional circumstances where the use of the times in this Call Off Schedule would be unreasonable, including (by way of example) where one Party would be materially disadvantaged by a delay in resolving the Dispute, the Parties may agree to use the Expedited Dispute Timetable. If the Parties are unable to reach agreement on whether to use of the Expedited Dispute Timetable within five (5) Working Days of the issue of the Dispute Notice, the use of the Expedited Dispute Timetable shall be at the sole discretion of the Customer.

2.7 If the use of the Expedited Dispute Timetable is determined in accordance with paragraph 2.5 or is otherwise specified under the provisions of this Call Off Contract, then the following periods of time shall apply in lieu of the time periods specified in the applicable paragraphs:

2.7.1 in paragraph 3.2.3, ten (10) Working Days;

2.7.2 in paragraph 4.2, ten (10) Working Days;

2.7.3 in paragraph 5.2, five (5) Working Days; and

2.7.4 in paragraph 6.2, ten (10) Working Days.

2.8 If at any point it becomes clear that an applicable deadline cannot be met or has passed, the Parties may (but shall be under no obligation to) agree in writing to extend the deadline. Any agreed extension shall have the effect of delaying the start of the subsequent stages by the period agreed in the extension.

### 3. COMMERCIAL NEGOTIATIONS

3.1 Following the service of a Dispute Notice, the Customer and the Supplier shall use reasonable endeavours to resolve the Dispute as soon as possible, by discussion between authorised senior officers of the Customer and the Supplier.

3.2 If:

3.2.1 either Party is of the reasonable opinion that the resolution of a Dispute by commercial negotiation, or the continuance of commercial negotiations, will not result in an appropriate solution;

3.2.2 the Parties have already held discussions of a nature and intent (or otherwise were conducted in the spirit) that would equate to the conduct of commercial negotiations in accordance with this paragraph 3 of this Call Off Schedule; or

3.2.3 the Parties have not settled the Dispute in accordance with paragraph 3.1 of this Call Off Schedule within thirty (30) Working Days of service of the Dispute Notice,

either Party may serve a written notice to proceed to mediation (a "**Mediation Notice**") in accordance with paragraph 4 of this Call Off Schedule.

### 4. MEDIATION

- 4.1 If a Mediation Notice is served, the Parties shall attempt to resolve the dispute in accordance with CEDR's Model Mediation Agreement which shall be deemed to be incorporated by reference into this Call Off Contract.
- 4.2 If the Parties are unable to agree on the joint appointment of a Mediator within thirty (30) Working Days from service of the Mediation Notice then either Party may apply to CEDR to nominate the Mediator.
- 4.3 If the Parties are unable to reach a settlement in the negotiations at the mediation, and only if the Parties so request and the Mediator agrees, the Mediator shall produce for the Parties a non-binding recommendation on terms of settlement. This shall not attempt to anticipate what a court might order but shall set out what the Mediator suggests are appropriate settlement terms in all of the circumstances.
- 4.4 Any settlement reached in the mediation shall not be legally binding until it has been reduced to writing and signed by, or on behalf of, the Parties (in accordance with the Variation Procedure where appropriate). The Mediator shall assist the Parties in recording the outcome of the mediation.

## **5. EXPERT DETERMINATION**

- 5.1 If a Dispute relates to any aspect of the technology underlying the provision of the Services or otherwise relates to an ICT technical, financial technical or other aspect of a technical nature (as the Parties may agree) and the Dispute has not been resolved by discussion or mediation, then either Party may request (which request will not be unreasonably withheld or delayed) by written notice to the other that the Dispute is referred to an Expert for determination.
- 5.2 The Expert shall be appointed by agreement in writing between the Parties, but in the event of a failure to agree within ten (10) Working Days, or if the person appointed is unable or unwilling to act, the Expert shall be appointed on the instructions of the President of the British Computer Society (or any other association that has replaced the British Computer Society).
- 5.3 The Expert shall act on the following basis:
  - 5.3.1 he/she shall act as an expert and not as an arbitrator and shall act fairly and impartially;
  - 5.3.2 the Expert's determination shall (in the absence of a material failure to follow the agreed procedures) be final and binding on the Parties;
  - 5.3.3 the Expert shall decide the procedure to be followed in the determination and shall be requested to make his/her determination within thirty (30) Working Days of his appointment or as soon as reasonably practicable thereafter and the Parties shall assist and provide the documentation that the Expert requires for the purpose of the determination;
  - 5.3.4 any amount payable by one Party to another as a result of the Expert's determination shall be due and payable within twenty (20) Working Days of the Expert's determination being notified to the Parties;
  - 5.3.5 the process shall be conducted in private and shall be confidential; and
  - 5.3.6 the Expert shall determine how and by whom the costs of the determination, including his/her fees and expenses, are to be paid.

## **6. ARBITRATION**

- 6.1 The Customer may at any time before court proceedings are commenced refer the Dispute to arbitration in accordance with the provisions of paragraph 6.4 of this Call Off Schedule.
- 6.2 Before the Supplier commences court proceedings or arbitration, it shall serve written notice on the Customer of its intentions and the Customer shall have fifteen (15) Working Days following receipt of such notice to serve a reply (a “**Counter Notice**”) on the Supplier requiring the Dispute to be referred to and resolved by arbitration in accordance with paragraph 6.4 of this Call Off Schedule or be subject to the jurisdiction of the courts in accordance with Clause 58 of this Call Off Contract (Governing Law and Jurisdiction). The Supplier shall not commence any court proceedings or arbitration until the expiry of such fifteen (15) Working Day period.
- 6.3 If:
- 6.3.1 the Counter Notice requires the Dispute to be referred to arbitration, the provisions of paragraph 6.4 of this Call Off Schedule shall apply;
  - 6.3.2 the Counter Notice requires the Dispute to be subject to the exclusive jurisdiction of the courts in accordance with Clause 61 of this Call Off Contract (Governing Law and Jurisdiction), the Dispute shall be so referred to the courts and the Supplier shall not commence arbitration proceedings;
  - 6.3.3 the Customer does not serve a Counter Notice within the fifteen (15) Working Days period referred to in paragraph 6.2 of this Call Off Schedule, the Supplier may either commence arbitration proceedings in accordance with paragraph 6.4 of this Call Off Schedule or commence court proceedings in the courts in accordance with Clause 58 of this Call Off Contract (Governing Law and Jurisdiction) which shall (in those circumstances) have exclusive jurisdiction.
- 6.4 In the event that any arbitration proceedings are commenced pursuant to paragraphs 6.1 to 6.3 of this Call Off Schedule, the Parties hereby confirm that:
- 6.4.1 all disputes, issues or claims arising out of or in connection with this Call Off Contract (including as to its existence, validity or performance) shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration (“**LCIA**”) (subject to paragraphs 6.4.3 to 6.4.7 of this Call Off Schedule);
  - 6.4.2 the arbitration shall be administered by the LCIA;
  - 6.4.3 the chair of the the LCIA procedural rules in force at the date that the Dispute was referred to arbitration shall be applied and are deemed to be incorporated by reference into this Call Off Contract and the decision of the arbitrator shall be binding on the Parties in the absence of any material failure to comply with such rules;
  - 6.4.4 if the Parties fail to agree the appointment of the arbitrator within ten (10) days from the date on which arbitration proceedings are commenced or if the person appointed is unable or unwilling to act, the arbitrator shall be appointed by the LCIA;
  - 6.4.5 arbitral tribunal shall be British;
  - 6.4.6 the arbitration proceedings shall take place in London and in the English language; and
  - 6.4.7 the seat of the arbitration shall be London.

**7. URGENT RELIEF**

7.1 Either Party may at any time take proceedings or seek remedies before any court or tribunal of competent jurisdiction:

7.1.1 for interim or interlocutory remedies in relation to this Call Off Contract or infringement by the other Party of that Party's Intellectual Property Rights; and/or

7.1.2 where compliance with paragraph 2.1 of this Call Off Schedule and/or referring the Dispute to mediation may leave insufficient time for that Party to commence proceedings before the expiry of the limitation period.

**CALL OFF SCHEDULE 14: VARIATION FORM**

No of Order Form being varied:

.....

Variation Form No:

.....

**BETWEEN:**

The Ministry of Justice ("**the Customer**")

and

[insert name of Supplier] ("**the Supplier**")

1. This Call Off Contract is varied as follows and shall take effect on the date signed by both Parties:
2. Words and expressions in this Variation shall have the meanings given to them in this Call Off Contract.
3. This Call Off Contract, including any previous Variations, shall remain effective and unaltered except as amended by this Variation.

Signed by an authorised signatory for and on behalf of the Customer

Signature

Date

Name (in Capitals)

Address

Signed by an authorised signatory to sign for and on behalf of the Supplier

Signature

Date

Name (in Capitals)

Address

## CALL OFF SCHEDULE 15: ALTERNATIVE AND/OR ADDITIONAL CLAUSES

### 1. INTRODUCTION

1.1 This Call Off Schedule 15 specifies the range of Alternative Clauses and Additional Clauses that may be requested in the Order Form and, if requested in the Order Form, shall apply to this Call Off Contract.

### 2. CLAUSES SELECTED

2.1 The Customer has not selected any Alternative Clauses.

2.2 With the exception of Annex A: Tender below, the Customer has not selected any Additional Clauses.

## ANNEX A: TENDER

### 1. GENERAL

1.1 [The Supplier's tender dated 19 January 2017 as amended on 10 February 2017 forms part of this Contract.](#)

1.2 Subject to any other obligations on the Supplier under this Call Off Contract, the Supplier shall provide the Services to the Customer in accordance with the Tender.

**OFFICIAL**

Future FM Project

Commercial and Contract Management (CCM)  
Directorate

**CALL OFF SCHEDULE 16: MOD DEFCONS AND DEFFORMS – NOT USED**